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Caution By Husak Successor

Chief of Party Rules Out New 'Prague Spring'

By Jackson Diehl

PRAGUE — Czechoslovakia's new Communist leader, Milos Jakes, committed himself to the party's long-standing conservative political line Friday even as a key meeting of the party's Central Committee failed to take decisive action on a modest package of economic change.

The opening events in Mr. Jakes' tenure after the retirement of Gustav Husak as party chief Thursday suggested there would be little immediate change in the policies of Czechoslovakia, which has been slow and apparently reluctant to follow the initiatives of the Soviet leader, Mikhail S. Gorbachev.

In his first speech to the Central Committee, published in the state press Friday, Mr. Jakes pledged to pursue the modest economic "restructuring" begun by Mr. Husak earlier this year, and said he would work to "increase citizens' rights and freedoms."

He strongly praised Mr. Husak and his policies, however, and aggressively attacked "the right-wing opportunists and revisionists" of the 1968 Communist government of Alexander Dubcek, whose "Prague spring" prompted a Warsaw Pact invasion.

"There is no doubt that Friday our opponents would like to bring about a retreat from fundamental principles of socialism," Mr. Jakes, 65, said. "They will not live to see that. We took a lesson from 1968-69 and know where such a retreat leads."

Western observers said his statement, which echoed the hard-line rhetoric of Mr. Husak's 18-year rule, was in keeping with Mr. Jakes' background as an orthodox loyalist who oversaw, and by some accounts was a leader of, the purges of hundreds of thousands of party members after 1968.

His strong affirmation of the official view of 1968, which remains the touchstone of Communist politics, sent a message of continuity to a society that has lived through years of economic and political stagnation, analysts in Prague said.

The change in leadership appeared on Friday to have stirred little emotion in the Czechoslovak public. Although the party newspaper Rude Pravo marked the event.

Kiosk

Rebels Accept Nicaragua Truce

MIAMI (AP) — The Nicaraguan rebels have accepted a new round of talks and a two-day Christmas truce and are willing to extend the cease-fire indefinitely if the Sandinistas halt their attacks and move toward democracy, a rebel leader, Aristides Sanchez, said Friday.

President Daniel Ortega Saverio of Nicaragua said earlier this week he would honor a request by Cardinal Miguel Obando y Bravo, who is mediating between the rebels and the Sandinist government, to stop hostilities Dec. 24 and 25.



Marguerite Yourcenar, the only woman elected to the Académie Française, has died. Page 2.

GENERAL NEWS

■ President Mitterrand sought to reassure West Germany about how far France would go to defend its neighbor. Page 2.

SPORTS

■ Mats Wilander and Anders Jarryd won their Davis Cup matches, giving Sweden a 2-0 lead over India. Page 19.

BUSINESS/FINANCE

■ British Petroleum has launched a £2.27 billion bid for Britoil PLC. Page 13.

Dow close: UP 50.90
 The dollar in New York:
 DM £ Yen FF
 1.6335 1.8235 127.00 5.5255

Kasparov Has Lead In the Final Game

The Associated Press

SEVILLE, Spain — The 24th and final game of the world chess championship between the titleholder, Garry Kasparov, and his challenger, Anatoli Karpov, was adjourned Friday.

Mr. Kasparov, playing white, sealed his 42d move in an endgame with one extra pawn.

Play is to resume Saturday afternoon.

A Soviet grandmaster, Eduard Gufeld, said Mr. Kasparov has a big advantage, "but I don't know if it's enough."

Raymond Keene, a British grandmaster, said Mr. Kasparov had some chances but did not think they were enough for him to win.

Mr. Kasparov won a pawn after a hair-raising time scramble where Mr. Karpov left himself with less than a minute for his final few moves.

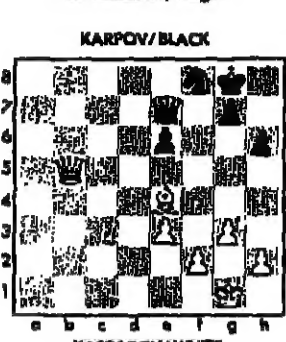
Mr. Karpov leads 12-11 in the match. He only needs to draw to regain the world championship crown he held for 10 years but lost to Mr. Kasparov in November 1985.

Mr. Kasparov needs to win this final game to retain his title.

In the event of a 12-12 tie, the

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KARPON/BLACK



KASPAROV/WHITE
 Position of adjournment.



Anatoli Karpov, the challenger, stopped his clock Friday after his initial move in the final game.

AIDS Virus May Damage the Brain First, New Findings Show

By Michael Specter

Washington Post Service

WASHINGTON — New studies suggest that people infected with the AIDS virus may suffer a loss of mental function long before they experience other symptoms of the fatal disease.

Tests conducted on infected but apparently healthy men showed an unusually high number had impaired coordination, cognitive difficulties or abnormal results from images taken by magnetic resonance devices.

Until now, specialists thought the virus caused no deleterious effects until other

symptoms of acquired immune deficiency syndrome appeared.

The findings have alarmed public health officials and experts expect the results, which scientists describe as preliminary, to

A new technique blocks the AIDS virus in the laboratory but scientists want tests on humans. Page 6.

ignite a new round of debate over the need for widespread AIDS testing.

"This could look like Alzheimer's disease in a young person," said Dr. Edmund Tramont, director of AIDS investigations at the Walter Reed Army Institute of Re-

search. "We just aren't sure when the clinical manifestations of HIV infection begin, so the smartest thing to do seems to exclude those who are infected from critical tasks. On balance it is just better to be safe than to take a risk."

Scientists have known for some time that the human immunodeficiency virus, or HIV, that causes AIDS enters the central nervous system and remains there. The majority of AIDS patients experience some mental impairment.

In a study published in the current issue of the *Annals of Internal Medicine*, Dr. Igor Grant and colleagues from the University of California at San Diego recruited

a sample of 55 patients and controls from a group of homosexual men in San Diego.

They broke the sample into four groups: 15 with AIDS, 13 who had a less severe form of the disease, AIDS-related complex; 16 who tested positive for the AIDS virus but who showed no other symptoms; and 11 healthy men who were not infected.

The researchers gave each subject a battery of nine separate neurological and psychological examinations.

The rate of impairment was 9 percent in the healthy control subjects, but 87 percent in the patients with AIDS. The AIDS-related complex group had 54 percent impaired. Most surprising to scientists, the

rate for the group that tested positive but showed no other symptoms was 44 percent.

"I was stunned by the results," said Dr. Grant. "I expected the large number of AIDS patients to show deficiencies. But to have 44 percent of the seropositive people show problems, that's dramatic."

"This is going to be the next great area of debate," said an administration official.

"It's going to cause a fight no matter how you do it. If the military tells its pilots they can't fly if they test positive, how can TWA say anything different. Before you know it, every trucking company in the United States is going to say we need those AIDS tests, too."

Boesky Sentenced to 3-Year Term On Conviction for Insider Trading

Compiled by Our Staff From Dispatches

NEW YORK — Ivan F. Boesky, the most prominent investor toppled by Wall Street's insider trading scandal, was sentenced Friday to three years in prison by a federal judge.

U.S. District Judge Milton Lasker in Manhattan ordered Mr. Boesky to surrender March 24 to an as yet undesignated federal prison. Judge Lasker said he hoped to send "a signal loud and clear" that such conduct "cannot go unchecked."

Mr. Boesky had faced a maximum of five years in prison and a \$250,000 fine for his guilty plea to one felony count of making false filings to the Securities and Exchange Commission in connection with his proposed acquisition of Fischbach Corp.

"The time has come that some kind of message must be sent to the business community," Judge Lasker said, deploring its lack of "moral integrity."

"Criminal conduct such as Mr. Boesky's cannot go unchecked," the judge said.

He said he was not imposing a fine because of the record \$100

million civil penalty that Mr. Boesky has already paid the SEC. "It is appropriate that your legitimate creditors be given a claim on your assets prior to that of the government," he added.

U.S. Attorney Rudolph Giuliani, who has led the government's pursuit of insider traders on Wall Street, called the sentence "heavy."

"In the real world of what happens in federal courts around the country," he said, "this is a heavy sentence."

Although a defendant's cooperation with the government usually ends with his sentencing, the U.S. Attorney's Office said that Mr. Boesky would continue to help authorities with their investigation.

Mr. Boesky's lawyers had asked that the sentencing take place Friday to help end negative publicity against their client.

As Judge Lasker spoke, the 50-year-old financier, who faces a score of civil suits, stood impassively and slightly stooped with his hands clasped behind his back.

Once considered Wall Street's leading speculator in stocks of potential takeover targets, he stunned the securities industry on Nov. 14,

1986, by settling SEC civil insider trading charges with the \$100 million fine, half in civil penalties and the rest in profits from stock trades. He also accepted lifetime banishment from the industry.

More shock waves followed word of his cooperation with a federal inquiry into Wall Street illegalities.

Information supplied by Mr. Boesky, who secretly taped conversations with associates before his cooperation was disclosed, led to guilty pleas by Martin A. Siegel, a merger specialist with Kidder, Peabody & Co., and Boyd L. Jefferies, founder of Jefferies & Co.

Mr. Boesky's lawyer, Leon Silverman, said Friday that his client had disclosed wrongdoing by five major securities firms as well as his own involvement in such practices as manipulation of stock prices, unlawful takeover activity, undercapitalization of broker-dealers and false record keeping.

In return, Mr. Boesky was allowed to plead guilty to the single felony count before Judge Lasker, considered by many criminal de-

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Ivan F. Boesky leaving a New York courtroom Friday after being sentenced to prison.

Verdict on Mafia: Still a Major Force

Despite the Trial, Organization Remains a Way of Life

By Roberto Suro

New York Times Service

PALERMO, Sicily — "The Mafia organization continues to function," Mimmo Signorino, a deputy prosecutor, said the morning after a jury returned 338 guilty verdicts in the most successful law enforcement effort ever undertaken against the Sicilian underworld.

Like the rest of his colleagues who conducted Italy's biggest Mafia prosecution, Mr. Signorino was refusing to celebrate because the trial's end was marked by doubts and shadows.

The killing of an absolved defendant one hour after he was released from prison Wednesday put a violent coda on the 22-month trial. In addition, the verdict itself proved a complex and somewhat ambiguous document.

As a result, people were still asking themselves how to define the Mafia and how to fight it.

Thursday morning, in the huge marble courthouse that Mussolini built when he tried to fight the Mafia, Mr. Signorino and the trial's chief prosecutor, Giuseppe Ayala, began plowing through a mass of legal documents. Like the defense lawyers, they were preparing to appeal the verdict.

Although the prosecution won in most cases, 114 defendants were absolved and many received reduced jail terms. The outcome pleased neither side.

Shaking his head, Mr. Ayala said there would never be another trial like this one, which started with 475 defendants. The huge, sometimes inefficient proceeding was unavoidable, he said, because it was

the start of a whole new effort to combat the Mafia.

Mr. Ayala and his colleagues insisted that for the first time they proved the existence of a specific, highly structured organization that was created for the sole purpose of committing crimes. They were able to prosecute people, under a conspiracy statute, for belonging to the Cosa Nostra.

"The major part of our thesis was accepted by the jury," Mr.

"The Mafia is everywhere because it is a mentality. It is not those men they sent to prison."

Consuelo Lupo, volunteer worker

Ayala said, "and so this trial will serve as a point of reference for all that comes in the future."

A decade or so ago it was easy to find people on Sicily who denied the Mafia's existence. That is not true anymore, but there are still many who dispute the prosecutors' view of criminality on the island.

Consuelo Lupo, a red-headed actress, was doing volunteer work at a convent in a neighborhood known as Zen. That was the acronym for a public housing project that the city never finished building before 30,000 people simply took over the grim little apartments.

"No one paid much attention" to the trial, Ms. Lupo said, "because they know it will not change anything."

Zen is no-man's-land. Taxi drivers and the police do not go near it at night. Some 80 percent of the children there do not go to school and are easy recruits for criminal gangs. And Zen is an important base for the Palermo Mafia's prostitution and drug rackets.

Ms. Lupo was collecting old clothes for a family whose sole source of support was a 14-year-old son who conducted armed robberies. He had been arrested after killing someone.

"The Mafia is everywhere because it is a mentality," she said. "It is not those men they sent to prison."

Pino Arlacchi, a sociologist who has developed structural models of the Mafia, said: "Criminal organizations exist everywhere, but in Sicily the Mafia is also a way of life with deep roots. That is why this was not a Mafia trial like the ones in New York, and that is why it could never have happened 15 years ago. Here an attack on the organization and cultural change have to go hand in hand."

The day after the trial ended, Salvatore Galina Montana, a lawyer, began sorting out what the verdict meant for the 14 people he represented at the trial.

One of his clients, Michele Greco, was accused of being the head of the "commission" that served as the Cosa Nostra's decision-making

See MAFIA, Page 6

Israelis Kill 3 In Gaza

New Violence Dims Hopes for End to Bloodshed

By John Kifner

New York Times Service

JERUSALEM — Three more Palestinian demonstrators were killed by Israeli troops Friday as violence again swept through the occupied Gaza Strip.

The clashes Friday were a blow to the government's hopes that a reinforced troop presence would end what is being widely described as the worst round of violence in 20 years of occupation of the West Bank and Gaza Strip.

On the Muslim sabbath Friday, midday prayer services in mosques throughout the occupied territories turned into anti-Israeli rallies, and there were demonstrations in East Jerusalem and several West Bank towns.

In the Old City of Jerusalem, Arab demonstrators on the Temple Mount, which is a site sacred for both Muslims and Jews, clashed with police and were tear gassed after prayers at a mosque.

The death toll was at least 18 as the unrest went into its 10th day. After dark Friday, bonfires of burning tires flared in the streets of Gaza City and nearby refugee camps and army units did not appear to be patrolling, an international relief worker said.

"During the day there are so many soldiers here you can't turn around without bumping into them," he said. "Now there are bonfires burning in every alleyway."

"Most of the streetlights are out and in the dark you can see the red cigarette butts of guys standing around, waiting," he went on. "It's as if the night belongs to them."

As darkness fell, he said, he saw a crowd near the main police station hurling rocks at a group of soldiers, who were firing back.

From the loudspeakers at a nearby mosque, he said, a voice urged the crowd on: "God is great. Liberate Palestine. It doesn't matter how many of us get killed."

The trouble began as the mosques held the traditional midday prayers, underlining the strong Islamic element emerging as a major factor in this round of clashes.

Islamic fundamentalist groups, including the pro-Iranian Islamic Jihad, have made strong gains in Gaza in the past 18 months, according to a number of sources.

As the prayers ended, protesters at a number of mosques in the Gaza Strip poured out, chanting and waving Palestinian flags.

The army said troops opened fire after they were pelted with rocks, iron bars and fire bombs.

The army confirmed Friday that two Palestinians were shot dead, one in Gaza City and another in the Bureij refugee district.

A third Palestinian was shot dead during fighting on the grounds of Shifa Hospital, a focal point of clashes for days, according to workers for international agencies, as well as hospital and Palestinian sources.

The hospital took in about 20 people with gunshot wounds during the day.

As fighting took place around the grounds, soldiers went into the hospital itself. Palestinians at the scene said they beat a number of people, including doctors and nurses, and took about 40 people into custody.

Israeli government officials are increasingly concerned at the mounting reaction abroad to their handling of the unrest and have set up a special unit in the Foreign Ministry to attempt to counter the widespread criticism.

But Prime Minister Yitzhak Shamir brushed aside the criticism Friday.

See GAZA, Page 6

To Grandmother's House We Go (Not Again!)

By Jane E. Brody

New York Times Service

NEW YORK — For many families who gather each year for the holidays, reunions are not the joyous, fulfilling experiences of song and story. They are more to be endured and survived.

For some people, the holiday gathering is anticipated with a mixture of dread and guilt. They know all too well that long-standing parent-child conflicts or sibling rivalries will wait holiday happiness.

Reunion problems have become exaggerated in recent years with the great increase in divorce and remarriage. Second marriages can foster a whole new set of problems, from where the adults and children spend the holidays to how to deal with new in-laws you hardly know.

Psychotherapists around the United States who collectively have treated thousands of clients for family "reunionitis" say, however, that there are a host of approaches that can reduce if not eliminate the conflicts and tensions.

Before making plans, be clear about your

motives. Are you going to visit family (or have family visit you) because you really want to spend time with your relatives, because you are expected to, because you think it is important for the children, or simply because you have always done it and never considered an alternative?

If, for example, a multigenerational holiday is not your idea of a good time, but you think the reunion is good for grandparents and grandchildren, you can either put up with it, as you put up with other unpleasant activities that are an important part of child-rearing, or you can send the children to visit the grandparents while and you and your spouse do something else.

Will guilt over skipping the family reunion make you feel worse than the anguish you suffer when you join it?

"If you really resent it, if it's that painful, why go?" said Florence Kaslow, a psychologist in West Palm Beach, Florida.

Consult your spouse. He or she may not share your enthusiasm about a visit to your parental home and the undercurrent of resentment could spoil everyone's fun. Consider

visiting family one year and doing something else the next.

"People go home with their heads full of expectations about making up for lost time or making it the family they've always wanted it to be," said Harold Goldstein, a psychologist in Galveston, Texas. "This is unrealistic, he said, adding that with people separated from their normal routines, overworked, overtired, sleeping in strange beds, eating at strange times, 'you can't expect everything to go smoothly.'"

He suggested being more modest about what you want the visit to accomplish.

Ms. Kaslow cautions parents of college students and young single adults not to expect their visiting offspring to spend much time with them or other relatives.

"This is not your baby coming home," she said, "but a young man or woman who wants to visit with old friends, go out with age mates, party late and sleep late."

Creativity and humor are your most powerful weapons. If you are really lucky, you and your parents may be able to talk through

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Herald Tribune

Published With The New York Times and The Washington Post

The Kims Elect Roh

On With Democracy

South Korea's opposition fought a long, brave fight for direct elections in order to have the chance to vote an unpopular government out of power. Instead, because of its deep division, the opposition appears to have handed victory to Roh Tae Woo, the ruling party's candidate, whose official appointment last spring touched off national unrest.

Now opposition leaders charge fraud. If they have the evidence, let them produce it. If they don't, they can best serve democracy by adapting to the role of a democratic opposition. Meantime Mr. Roh, whose victory fell far short of a majority, needs to reach out, widely and quickly.

He is reported to have taken 36 percent of the vote, against 27 percent for Kim Young Sam and 26 for Kim Dae Jung. That translates into a majority for the opposition but a clear plurality for Mr. Roh. The alleged fraud would have to be widespread indeed to produce such decisive numbers. Thus far the Kims have not sustained their claims.

The opposition urgently needs to regroup if it hopes to rally for the coming congressional elections. Its constructive participation is essential to carrying forward the democratic reforms begun at Mr. Roh's in-

itiative after the popular upheaval last June. Attention now properly turns to the president-elect. He remains an enigma, responsible both for the ruling party's recent reforms and for many of its less savory deeds in the preceding seven and a half years. Which behavior offers the best guide to a Roh presidency? That question now preoccupies Koreans, and key allies like the United States. The Reagan administration has made clear America's interest in continued reform.

The sight of middle-class and middle-aged Koreans taking to the streets last spring alongside student protesters made a profound impression on Mr. Roh and those close to him. Their change of course has brought expanded political and labor freedoms that are likely to have lasting effects. If the president-elect will now build on these authentic, overdue reforms, he is well positioned to consolidate democratic change. His connections to the military and economic elites give him the necessary political space.

Opposition pressures produced direct and, on present evidence, fair elections. But opposition divisions ensured victory for Roh Tae Woo. If he is prepared to heed the lessons of last June and the limitations of his plurality mandate, he can strongly serve democracy.

—THE NEW YORK TIMES

The Evidence So Far

There is a question mark over the South Korean elections, but on the evidence so far, Roh Tae Woo, the ruling party's candidate, won a healthy plurality.

He won playing by the opposition's rules: It had demanded a change from indirect to direct elections, and it got it. The air is thick with complaints of fraud, but the proof offered so far is thin. Some in the opposition claim that the fraud was sufficient to invalidate the results. The more convincing explanation appears to be that the opposition lost because it split its vote among three other candidates, including the two Kims, whose combined vote did in fact exceed Mr. Roh's. Also, Mr. Roh ran a good campaign, presenting himself as a repentant former general who was now reliably committed to reform.

In this immediate post-election period, Koreans are "voting" a second time. This time the question is whether to accept the outcome of the balloting. Here it is useful to recall that the military-dominated ruling party was forced to move last spring from indirect elections to direct because the country's

burgeoning middle class joined the students in the streets to demand change. An impulse for democracy and stability, in tandem, carried the day. There is the chance that the same impulse may keep the middle class out of the streets now. These are people who prize the progress that South Korea has made in its development and crave a political result to match, but fear to invite disorder. Presumably, this group includes not only most of those who voted for Mr. Roh, but also, potentially, at least some portion of those who voted for the two Kims.

The opposition, in its ambition and ardor, is working to keep the United States from accepting the election as fair and legitimate. It declares that American approval of a Roh victory will identify the United States with a repressive self-perpetuating military caste and stir the not-so-smoldering embers of anti-Americanism in Korea. But of course the United States cannot be intimidated by propaganda. If it determines that the election was reasonably fair, then it has good reason to say so—and to suppose that Koreans will come to the same judgment themselves.

—THE WASHINGTON POST

A Thumb in the Dike

What President Reagan once said in defense of his former deputy chief of staff wholly missed the point. Michael Deaver, he said, "never put the arm on me, or sought anything or any influence from me since he has been out of government." What Mr. Deaver did, with unseemly haste after leaving the White House in 1985, was to put the arm on the rest of the administration.

Exploiting his famed friendship with the Reagans, Mr. Deaver coerced and cajoled officials to make decisions sought by private clients, and collected astronomical profits. When that conduct came under suspicion as illegal, he lied about it to a congressional subcommittee and even to a grand jury. So says a jury in Washington.

His behavior seemed shameless when emboldened on magazine covers. What he said, the jury found, was also criminal.

This jury verdict is the latest stain on the record of an administration that has always seemed to lack a moral compass. Attorney General Edwin Meese rarely has a day free of investigators examining his conduct. Thanks to the 1978 independent counsel statute, which Congress has wisely renewed and Mr. Reagan has grudgingly signed, the

verdict has a sobering message: Even those closest to power can be brought to justice. It is hard to believe that Mr. Deaver could have been credibly prosecuted by Mr. Meese's Justice Department. Even the perjury indictment would have been suspect if it had come from Mr. Meese, because it stopped short of charging actual violations of federal lobbying laws. Whitney North Seymour Jr., the court-appointed independent counsel, now explains that he found the Ethics in Government Act so full of "loopholes and exemptions" that it deceived the public into feeling protected from abuse. He promises to expose those loopholes and to lobby for closing them.

Mr. Seymour, a Republican and former U.S. attorney, has other things to say now that the trial is over: "There's too much loose money and too little concern in Washington about ethics in government. Until the attitudes of government leaders change, there is little that prosecutors can do except put a thumb in the dike."

Yes, but even that is better than the thumb that this administration, ethically obese, keeps sticking in the public eye.

—THE NEW YORK TIMES

Other Comment

Something for Bhopal

Union Carbide has admitted moral responsibility for the death of nearly 3,000 people and injury to perhaps 200,000 more, and denied it has any legal responsibility when compensation is discussed. A time must come when it can no longer hide behind such sophistry. It is three years since the gas disaster at the firm's plant at Bhopal and both parties—Union Carbide and the Indian government, acting on behalf of the victims—are just beginning what look set to be extraordinarily lengthy proceedings through the courts of India.

The decision by Judge M.V. Deo of the Bhopal District Court to order the firm to distribute £170 million as an interim payment to victims within two months should be seen in this light. The payment is roughly 9 percent of the total £1.8 billion the Indian government has filed for. Judge Deo's ruling may have been bad in law [but it] displayed an uncommon fairness. [He] said that attempts at an overall settlement had become bogged down in the din of diverse and loud voices, leaving the wretched victims destitute and abandoned.

Neither India nor Union Carbide has much to be proud of in this affair. India's bureaucrats set the terms and drew up the restrictions on the plant. The American firm has drawn up a ramshackle list of excuses to hide its responsibility, blaming

the existence of shanty towns around the plant for the high death toll. Any sense of natural justice has been lost. Judge Deo has gone some way to restoring it.

—The Independent (London)

About the INF Treaty

The ink has yet to dry on the INF accord signed by President Ronald Reagan and Soviet leader Mikhail Gorbachev, but already the agreement seems to have sparked a political revolt within the Western alliance. As the long road toward the treaty was traveled, it has frequently been acknowledged that some of its provisions contain military risks for the West, regardless of how much they may benefit Japan. But if peace is to be given a chance, such risks seem worth taking. It is imperative that all of us who support the Western alliance both here and abroad rally to the support of the U.S. president and his administration on this important issue. The world wants and needs the INF treaty.

—The Japan Times (Tokyo)

The risk is that any arms control deal will be seen as a success, bringing sweetness and light between the antagonists; the conclusion of which is that, to get more sweetness, all you need is more arms control, even if the underlying disagreements and clashes of interest remain unresolved.

—The Economist (London)

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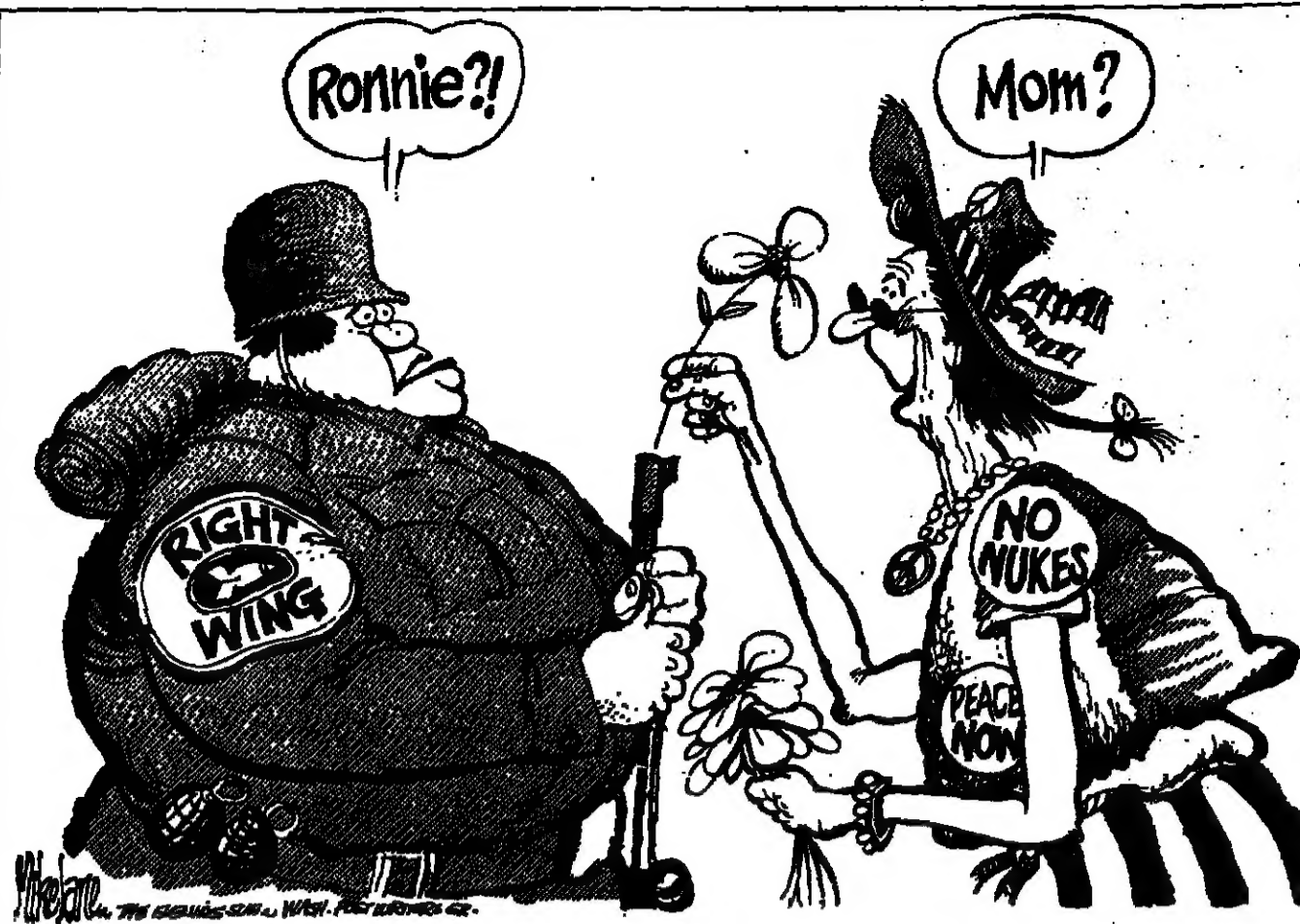
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OPINION



What's This Talk About a Nuclear-Free World?

By Phillip Geyelin

WASHINGTON — Ask a stupid question, the old wheeze goes, and you get a stupid answer. So the answer should have come as no surprise when the Washington Post-ABC News Poll recently asked a scientifically selected sample of 1,007 adult Americans: "Ultimately, do you think the United States and the Soviet Union should or should not agree to eliminate all nuclear weapons?" A large majority of 68 percent said "should." Only 29 percent said "should not." A prudent 3 percent had "no opinion."

Given the awful complexity of the issue, and the banality of the question (when is "ultimately"?), "no opinion" should have won hands down. But never mind: you can't fault the two-to-one majority in favor when not only Ronald Reagan but also Mikhail Gorbachev is holding out the pie-in-the-sky of a world without nuclear weapons.

Still less, when the top men are talking that way, can you blame the pollsters for asking people what they think of it. The problem lies with the loose way the two world heavyweights talk, and why.

Mr. Gorbachev's game is not hard to figure out. Leave aside whether he really thinks that such a state of grace could be verified, that nuclear technology could be dis-invented, that lesser potential nuclear powers could be trusted to comply. The general proposition of "disarmament" plays nicely to Soviet superiority in conventional forces and chemical weaponry in Europe. Mr. Gorbachev has nothing to lose.

But that is why Ronald Reagan has every reason not to talk in the same simplistic way. Why he does so has been puzzling me ever since

he launched his Strategic Defense Initiative in 1983 and offered the prospect of a nuclear defense that would render offensive nuclear weapons "impotent and obsolete."

Does he believe it? Or does he recognize the pitfalls in the proposition but see no point in letting details get in the way of dreams?

It's both. Or so I became increasingly persuaded, in the course of recent encounters with the president in the Oval Office together with three colleagues. It has to do, as well, with the catch-all quality of communication with the Great Communicator: the shouted-on-line exchanges over the roar of a helicopter; the scattered-shot questioning at rare press conferences; the infrequency, in short, of opportunities to push the follow-up questions that get you beyond the true beliefs to the complexities.

In our Oval Office exchange, there was an opportunity to follow up, in a way that illustrated the point. In an earlier talk with television anchorman, Mr. Reagan had reconstructed the breakdown at Reykjavik in these words: "We had come to an agreement on a literally total nuclear disarmament" when Mr. Gorbachev at the last moment brought up SDI, and "that's when I came home." He was not then asked why, if "literally total nuclear disarmament" had been agreed to (as was not quite the case), SDI was any longer a problem. But no matter. The question that remained was put to him in our session: Was he not in danger of

"making the world safer for conventional war and putting the Europeans at some risk?"

It was like pushing the wrong key on a computer. He launched into a long disquisition on the difference between conventional and nuclear war—between the traditional "rules of warfare" and "mutual assured destruction" with "missiles exploding all over" America and the Soviet Union. He spoke movingly of how "uncivilized" it was for each side to hold noncombatant men, women and children hostage to nuclear deterrence.

Fine, but was he still not worried about "the conventional imbalance in Europe if you just did away with all nuclear weapons?" Bingo! This time, the right key was pushed: "That, of course, is most important," he said. Mr. Gorbachev had even indicated to him that he was of the same mind. Before he would agree to eliminate the "hundreds and hundreds" of shorter-range battlefield nuclear weapons in Europe that "equalize" Soviet conventional military superiority, the president said, conventional "parity" would have to be achieved.

A few days later, the president hammered home the same point in a formal address carefully calculated to ease European anxieties. So, at one level, it cannot be said that Ronald Reagan is unaware of the enormously complicated strings attached to his vision of a nuclear-free world. But at another, visceral level, the complexities come across as afterthoughts, if at all. With Ronald Reagan, as with the public, it depends on how the question is put—or which key of the computer is punched.

Washington Post Writers Group

Chirac Has a Strongman Who Might Not Be of Help

By William Pfaff

PARIS — Charles Pasqua, France's interior minister, is the man William Casey and Oliver North wanted to be. He is a genuine tough guy; they were acting the part. Given the job of dealing with France's hostage and terrorist problems, he has made a trail of wreckage and outrage, but has delivered the goods.

Two French former hostages in Beirut are free. The remaining three are thought likely to be freed before the presidential election takes place in France five months from now. Several people linked to the terrible Paris bombings of September and October 1986 have been jailed. The last important member of a domestic terrorist group, Action Directe, has been arrested. Basque terrorists operating from France into Spain are being rounded up and delivered to the mercies of the Spanish police.

Mr. Pasqua is the strongman of the French government. The prime minister, Jacques Chirac, relies on him to deliver the presidency when that vote comes in the spring. Mr. Pasqua heads the Chirac campaign organization.

There is, of course, a lot of broken glass about. Mr. Pasqua is unloved. He expresses contempt for journalists

and indifference to what the press and the intellectuals make of him. Voters on the right adore him. He is a little frightened of him. He is the sort of man who makes you think that an accident might happen to you if you cross him.

The solution of the hostage problem began when the police, ignoring the Foreign Ministry, went after a functionary of the Iranian Embassy in Paris, ostensibly a translator but allegedly head of Iran's clandestine network in France—and, by the way, son of a former physician of Ayatollah Khomeini's.

He fled to his embassy. The police surrounded it, flood-lit it, ostentatiously checked cellars and sewers, interrogated those going in and out. The story was spread that this man was responsible for the 1986 bombings. France now had a hostage of its own.

The Iranians, predictably, then accused a French diplomat in Tehran of spying and demanded that he be handed over. Behind the scenes there were comings and goings of Iranians, Lebanese, Algerians and Corsicans. Mr. Pasqua is a Corsican.

On Nov. 29 it was made known that

two French hostages in Beirut were free. The translator in Paris got in a car and went to the Palais de Justice to be interviewed by a magistrate, who found no reason to hold him. The diplomat in Tehran was heard by a judge and sent home to France.

The American press reported that France was repaying part of a debt owed Iran as the result of a deal made in the time of the shah. Seventeen political refugees, 14 Iranians and three Turks, were summarily hustled onto a French military aircraft and flown to Gabon, in West Africa, whose president expressed astonishment at their arrival. They are now conducting a hunger strike.

The French government said that the possibility exists of normalized relations with Iran and repayment of the rest of the debt. The prime minister added that this money cannot be paid immediately because the matter is very complex, and diplomatic relations cannot be re-established until "there is no more suspicion of [Iranian] collusion with the terrorists" in Lebanon.

The Iranians' terms for "good relations" according to Iran's vice minister of foreign affairs, are that France

"progressively distance itself" from Baghdad and Washington. Elsewhere they are noted as debt repayment in full, an end to French military aid to Iraq and expulsion of all Iranian opposition activists in France.

The French public's reaction to what has happened combines pleasure at the hostages' release with apprehension at what seems to have been done to get them. The people expelled to Gabon mostly possessed the legal status of political refugees.

The foreign press has been extremely critical. This saved the day for Mr. Chirac, transformed into victim of British perfidy and American hypocrisy. He said last Monday that the English are motivated by ambitions "unchanged since Lawrence of Arabia." It was a reference, one supposes, to French-Soviet rivalries from 1914 to 1922 over how the Ottoman Empire would be carved up between the two—not one would have thought, a grievance much on people's minds today. Criticism from the Reagan administration was taken as particularly impudent, as indeed it was.

Mr. Chirac's difficulty is that what now may seem a success to voters will not be such a success if no more hostages are released, or if the price paid is repugnant. Mr. Pasqua might come to seem the man who paid too much for too little, and who should never, really, have paid anything at all. The political gamble is a large one.

French amour propre is at stake, the self-regard of people who take "realism" for granted but also like to think that France is a land of political asylum. People are prepared to tolerate, and even to admire, a certain level of cynicism in national policy, provided that it works. If it fails, and France is made to seem treacherous and credulous rather than Machiavellian and successful, Mr. Chirac will pay.

International Herald Tribune
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Hart Keeps Making the Same Mistake

By A. M. Rosenthal

NEW YORK — There is a common thread connecting many strong people who decide to seek psychiatric counsel. It is the realization that they are acting repeatedly in a way harmful to them, without knowing quite why. So they spend time, often painful time, with somebody who can make them see themselves more clearly, discover what it is that makes them act out the same mistake—and by knowing, change.

Sometimes they are aware of their behavior pattern before they see the psychiatrist. Often, the knowledge that they act repeatedly in the same harmful way comes slowly as the psychiatrist performs his function of helping the patient know himself.

There is a sadness about the Hart story. An obviously intelligent man, who has attracted other intelligent people to his cause, has not been strong enough to see himself plain and does not even seem to try very hard. So he keeps making the same mistake. It is a refusal to see himself as responsible for himself and to say so at times of crisis or opportunity in his life. For that reason, his statement announcing his intention to resume his candidacy for the presidency shows that he is still not qualified to be president. Can a nation really follow an individual so lacking in inner courage as to ignore or gloss over reality?

I am not thinking about his sexual conduct, or even the strange judgment that made him walk the high wire and challenge the world to knock him off, which of course it did. Even more important, it seems to me,

is his repeated failure, at times of high moment in his public life, to show that he fully understands that it was Gary who did in Gary.

In May, when he withdrew because of the stories of his sexual affairs, he had the opportunity to leave with grace and dignity. He threw it away in an orgy of self-pity. He talked about how he really was not very good at politics, meaning he was above it; about how stimulating his ideas really were. He said what a shame it was that the country would never hear them fully expounded. He admired himself a lot, and portrayed himself as the victim of the press.

Yes, the press exposed him. The stakes around his house was a mistake in journalistic behavior and ethics. But it was Gary who crippled Gary, and he never saw it. He talked about how his strong will had been brought to the point of tears, without ever saying—without ever seeming to understand—that he put those tears in the eyes of Mrs. Hart.

Months pass. Mr. Hart obviously suffers. He also finds that people really are not interested in paying him as much attention as he feels is his due as a man of great ideas. He sees that with Bill Bradley out and Mario Cuomo still just keeping open, he has a chance.

Maybe he won't win but at least he will satisfy his desire to get into the action again and be a real public figure, not a paid lecturer. So

once again he has his chance, on those steps in New Hampshire, with the country watching. He talks about how much he can do for the country with his ideas, about what a tough decision it was; now let the people decide.

Nothing wrong with that—but something terribly wrong with what he did not say. Not a word about what happened to the first Hart campaign and how he, Gary Hart, destroyed it and the hopes of all who followed him and built their lives around him. How he embarrassed family, party and nation.

It was not an apology that was needed, but the strength to give himself and the country the dignity of facing the truth to which the nation was entitled. To say, "I acted like a damned fool, did great damage, but I have learned from my self-imposed disaster by facing it and am ready to move on in the hope that this country will not hold my error against me forever."

To do so would not have been an act of humiliation but a demonstration of insight and courage. Instead we got a routine political speech, utterly devoid of any self-examination. In America it is still seen as weakness instead of strength to seek counseling. Here we have a man who does not grasp that he cannot be trusted to be president unless he shows that he understands himself. I hope he is getting or will seek guidance to self-knowledge. That is said with no unkind intent; the contrary.

The New York Times

A Nice Start For Japan's New Leader

By Jim Hoagland

PARIS — Afflicted by the pangs of Nakasone withdrawal, the American press has not been paying much attention to the doings and sayings of the new Japanese prime minister, Noboru Takeshita. That is just as well from the standpoint of Mr. Takeshita, who likes to move quietly and methodically toward goals he can achieve.

"Yasu" Nakasone entranced American officials and pundits by looking and talking like a U.S. president rather than a Japanese politician. But by the end of his tenure in October, he had delivered more bombast and promises than change, and adulation had begun to give way to resentment abroad.

Mr. Takeshita is the opposite, physically and temperamentally. He is as subdued in demeanor and conversation as Mr. Nakasone is flamboyant, frequently causing foreigners and even his compatriots to underestimate him.

The contrast was underscored this past week by his decision to make his symbolically important first visit abroad to Manila, subtly highlighting the growing economic importance of Japan's ties to the countries of Southeast Asia. Mr. Nakasone's maiden voyage was a high-profile political trip to South Korea that stirred conservative opposition in Japan that dogged him throughout his term in office.

Mr. Takeshita's conciliatory style and attention to substance may just fit the moment. It is a moment in which Japan must find ways to ease its quietly the enormous financial power it has accumulated in the past two years. Under Mr. Takeshita, Tokyo is likely to do so without challenging Washington, but also without counting on American cooperation.

For it is now clear to the rest of the world that the final year of Ronald Reagan's presidency will be a period of uncertainty and temporizing on economic matters in Washington.

Already the dollar has been on a marked monetary seas like a wounded whale, with Treasury Secretary James Baker's harpoon dangling from its side. The interest rate increase needed to stabilize the greenback is ruled out by fear of provoking a recession, while the specter of renewed inflation cancels out other economic options for the United States.

The economic cooperation agreement signed at the Louvre in Paris in February has slowly vanished in the last two months, taking away the final remaining props for the dollar and the last vestiges of a functioning international monetary system. Mr. Takeshita appeared to signal in Manila on Wednesday that Japan's central bank would no longer intervene to stop the dollar from falling—an invitation to the free fall that Mr. Baker and company have done little to avoid.

Mr. Reagan appears to have abandoned his first-term belief that strong nations possess strong currencies and that power follows money. That belief persists in much of the rest of the world, however, and the dollar's unending troubles are increasingly seen as the symbol not just of temporary financial distress in America but also of Washington's leadership vacuum.

Japan and West Germany will necessarily begin to make their own facts, trade and financial arrangements outside the dollar zone if present trends continue. This will gradually lead to an informal yen zone in Asia and a German mark zone in Europe. As economist Eiot Janeway pointed out earlier this year, Japan today uses the yen to finance exports as America once used the dollar.

Although often overlooked in the analyses of the great waves of change rolling over the world economy, Japan has become the world's most successful banker as well as manufacturing exporter. Five of the world's six largest banks in dollar terms are Japanese. And Japanese banks already own nearly 10 percent of all banking assets in the United States. Each time the yen rises, Japan's banks enlarge their capital base in terms of the rest of the world's currencies.

It is this set of circumstances that imparts significance to Mr. Takeshita's decision to go first to Manila and give pride of place to Southeast Asia—the heart of any future yen zone. He moved a pawn in that direction by unveiling the details of a \$2 billion package of trade aid for the region, and he sought to dispel the lingering bitterness there over Japan's brutal World War II invasion with a gentle policy.

It was a characteristic performance from a leader who moves almost imperceptibly, but steadily, toward well defined goals. It was a good start for the new kid on the leadership block.

The Washington Post

100, 75 AND 50 YEARS AGO

1887: Don't Come Here

PARIS — A Corfu correspondent writes: "You fancy you ought to take the cake in England for bad climate. Bide a wee, and try Corfu first. It has rained here for two months, and promises to continue. There is an everlasting scirocco, and mosquitoes like the sands of the sea. There is neither feather nor fur in Albania to shoot; yacht hire double what it is at home. Bathers ask for pay which a British subaltern never dreamed of getting, and their dogs are keen to pursue everything but game. Anyone who comes here for a winter climate is a dreamer of dreams."

1912: Peace Talks

PARIS — There was an interchange of views yesterday (Dec. 18) in the British capital between the Balkan delegates and certain of the Ambassadors of the European Powers, as a result of which it is anticipated that a peaceful settlement of the Adriatic

and Albanian issues will be reached. The peace conference meets today and it is expected, if the Turks agree to treat with the Greeks, that a treaty will be speedily agreed upon.

1937: Cuban Warning

HAVANA — All foreign residents engaged in activities "for the moral and material support of armed conflict in foreign countries" will be deported immediately. This measure was announced by President Laredo following outbreaks among the rival factions of the civil war in Spain. These outbreaks were brought to a climax when seven men raided the Spanish Republican Circle and forced 50 members to leave at the point of guns, after which they destroyed furniture and documents. Another armed attack was made almost simultaneously on the Spanish Socialist Circle, where furniture and other fixtures were destroyed. When members of the Phalangist Circle heard of these attacks, they closed down.

JPL 10150

Kenya Cites War Threat, Ousts Envoy Of Uganda

By Blaine Harden
Washington Post Service

NAIROBI — Punctuating a week in which Kenya and Uganda have exchanged bullets, insults and allegations, President Daniel arap Moi of Kenya said Friday that Uganda was "preparing for war." Kenya ordered Uganda's ambassador to leave the country within 24 hours.

Mr. Moi's statement and the expulsion of Charles Katungi, the Ugandan ambassador, who was accused by Kenya of uttering an "insulting insult on the person" of Mr. Moi, marked a historic low in relations between two East African nations that have a long common border and close economic ties.

Late Friday, Kenya recalled its ambassador and his deputy from Uganda.

Mr. Moi said Ugandan soldiers were digging trenches along the border and "preparing for war." "We have not done it," he said, "so let the world know, when we act, they should not blame us."

The dispute has been fueled by Kenyan fears that the Libyan leader, Colonel Moammar Gadhafi, is using Uganda as a base for attempts to destabilize Mr. Moi's government.

In announcing the expulsion of Mr. Katungi, the Kenyan foreign minister, Zachary Onykha, also said Friday that the Libyan Embassy had been ordered closed.

The embassy "has been used consistently for gross interference in the internal affairs of Kenya," Mr. Onykha said.

Kenya has repeatedly charged that Libya has been operating spy rings in Kenya. The Kenya Times, the governing party's newspaper, said Friday two helicopters carrying Libyan troops had landed this week in Entebbe, Uganda.

Mr. Katungi called the report "ridiculous." He dismissed Kenyan claims that Uganda provides a base for Kenyan dissidents seeking to overthrow Mr. Moi's government.

President Yoweri Museveni of Uganda has asked the Organization of African Unity to mediate the dispute. On Friday, the organization's secretary-general, Ide Oumaru, sent messages to Mr. Moi and Mr. Museveni, appealing for a peaceful settlement.

Border clashes began Monday near the town of Busia. Since then, shooting between Kenyan police and Ugandan soldiers has resulted in a number of deaths and injuries.

Most of Uganda's imports and exports "pass by road" and rail through Kenya to the port city of Mombasa on the Indian Ocean. A prolonged closing of the border would harm Uganda's economy.

U.S. Restricts Stingers in Bahrain Deal

By David B. Ottaway
Washington Post Service

WASHINGTON — The Reagan administration has won its biggest battle over one of its smallest arms sales of the year — as many as 70 Stinger anti-aircraft missiles and 14 launchers valued at \$7 million for the Gulf sheikdom of Bahrain.

The victory came after an exhaustive lobbying effort on Capitol Hill and sticky negotiations with Senator Dennis DeConcini, Democrat of Arizona, who led the opposition to the sale and erected his price.

In the end, Defense Secretary Frank C. Carlucci and the national security adviser, Colin L. Powell Jr., agreed with Mr. DeConcini a week ago allowing Stingers to go to Bahrain under some of the most stringent restrictions and conditions imposed on a U.S. arms sale.

Though the agreement was made late Dec. 11, a last attempt was made to reverse it Thursday by one of the House conferees negotiating the foreign operations section of the omnibus spending bill with his Senate counterparts. The bid was defeated on a 6-3 vote among the House conferees, according to Mr. DeConcini's office.

In return for his cooperation with the White House, Mr. DeConcini has insisted that no other Stingers be sold to any Gulf nation and that the administration drop its plan to sell more of the shoulder-fired anti-aircraft missiles to the Sultanate of Oman.

Bahrain had to agree to the same U.S.-dictated safeguards over the weapons as those imposed on Saudi Arabia, which has 400 Stingers. The safeguards include separate storage depots for the missiles and the launchers and spot-checks by U.S. officials to assure that all are accounted for.

Bahrain also must pledge to sell its Stingers back to the United States as soon as another U.S. air defense system can be found, but, in any case, no later than 18 months from the date of enactment of the legislation.

A State Department spokesman, reflecting the administration's disgruntled resignation to the terms of the agreement, said: "There is no possibility of anything better. It is the best we can hope for and at least it will permit us to sell them to Bahrain."

He said Bahrain had agreed to the conditions and that the administration will forward the Stingers "as soon as possible."



Senators Max Baucus, left, Democrat of Montana, and Malcolm Wallop, Republican of Wyoming, co-chairmen of the Senate Beef Caucus, watch Ambassador Taizo Watanabe take a forkful at the Congressional Beef Caucus luncheon in Washington.

U.S. Beef? Japan Can't Stomach It

Compiled by Our Staff From Dispatches

WASHINGTON — A key farm official from Japan's governing Liberal Democratic Party, pleading for more time to ease his country's barriers to agricultural imports, has asserted that because of health and religious reasons Japan may not be able to increase its purchases of American beef.

"To the intestinal system, it will mean a very big change" to eat more beef, Tsutomu Hata, a former agriculture minister, said at a luncheon Thursday.

He said the Japanese had a "much, much larger" digestive system than Americans, which, he said, made it harder for them to eat beef.

"I've never heard that argument before," Clayton K. Yeutter, the U.S. trade representative, said laughingly. "I've heard all the rest of them."

Mr. Hata, chairman of his party's Agricultural Committee, also cited Buddhist restrictions on meat as well as the traditional Japanese diet, which emphasizes fish.

Japanese officials have argued on other trade issues that their nation and people are different and therefore cannot always use non-Japanese products. One trade official, defending import barriers for foreign skis, said last year that Japanese snow was different from snow in the rest of the world.

Mr. Hata, a member of Prime Minister Noboru Takeshita's inner circle, made his comments during a steak luncheon given by the Congressional Beef Caucus as part of a campaign to get Japan to drop barriers to beef imports.

He was challenged by Senator Phil Gramm, Republican of Texas, one of Congress' most steadfast supporters of free trade, who said the problem was not health, the size of the Japanese digestive system or religion.

"The basic problem is your protectionism," Gramm said. "Open your markets and let people see if your intestines are too long, let them see if the teachings of Buddha will keep the Japanese from eating beef." (WP, AP)

Congress Acting to Ban Japanese From U.S. Construction Projects

By Clyde H. Farnsworth
New York Times Service

WASHINGTON — Reflecting years of trade disputes and tensions over the trade deficit with Japan, House and Senate conferees have agreed to ban Japanese companies from participation in public works construction projects in the United States.

Also Friday, the Senate Foreign Relations Committee dealt a blow to a newly negotiated agreement that would have allowed Japan to fly shipments of plutonium from Europe to Japan over the northern United States for the next 30 years.

While that decision reflected environmental and safety concerns, Congress moved on other fronts to make clear its unhappiness with Japan over the bilateral trade disputes that have flared as a result of a projected \$60 billion trade deficit with Japan this year.

"Some of it is pure Japan-bashing, and some of it is more substantive," said Philip H. Trezise, an analyst at the Brookings Institution. "The bilateral trade deficit is a cause of great concern."

The decision to exclude the Japanese from public works construction, including airports, veterans' hospitals and other projects, came as the conferees neared approval of a \$600 billion appropriations bill needed to put into effect this year's budget agreement.

The proposal does not mention Japan by name. Instead, it requires the denial of contracts for designing, engineering and construction services to companies that close their markets to American companies.

Japan, which has blocked major American participation in the construction of an airport, is the main country that would be affected.

Congress has taken other steps to punish the Japanese and is considering some others. The House and Senate conferees meeting on the spending bill have banned Toshiba Corp. from selling its electronics products to the Pentagon or at military post exchanges.

Mr. Carlucci, acting under an agreement reached by the White House and Congress to reduce the federal deficit, has ordered the armed services to cut about \$33 billion from their 1989 budgets so that the Defense Department can meet its obligations.

Killing research and development of the weapon would save

about \$500 million in fiscal 1989. The air force has been instructed to come up with \$8.6 billion in budget cuts.

The anti-satellite system envisions mounting a guided missile on an F-15 fighter. The fighter would climb to a high altitude and launch it into an orbit where it would collide with the satellite or explode near it. Congressional Democrats opposed the program, asserting that it upset the military balance between the United States and the Soviet Union.

The proposal seems likely to please the Soviet Union, which has proposed a moratorium on such developments. Moscow has also been seeking to develop an anti-satellite system of its own, but it is believed to lag behind the United States technically.

For the United States to cancel its anti-satellite system may slow development of President Ronald Reagan's plan to deploy a defense against incoming nuclear missiles.

U.S. May Cut Space Arm

New York Times Service

WASHINGTON — To help cut the Pentagon budget, the air force has proposed ending work on a weapons system to destroy Soviet satellites in space, according to Pentagon officials.

The officials said the air force saw no sense in continuing the program because for three years Congress has forbidden the air force to test the system in space. While Frank C. Carlucci, the defense secretary, has not made a final decision, the officials suggested that the anti-satellite weapon program was dead.

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Defector's Evidence Is 'Speculative' On Managua Invasion Plan, U.S. Says

By Richard Halloran
New York Times Service

WASHINGTON — A senior Defense Department official has acknowledged that evidence provided by a Sandinista defector of a Nicaraguan plan to invade other nations was "speculative."

The official, in a briefing Thursday at the Pentagon, also said the United States had no documentary evidence that the Soviet Union had promised to furnish MiG-21 jet fighters to the Sandinista government as asserted by the defector, Major Roger Miranda Bengoechea.

A document in English, which Pentagon officials said was a summary of documents in Spanish brought by the defector, contained no evidence of plans to invade other nations. The only mention of MiG-21s was in a passage on arms Nicaragua would like to have.

The statements by the Pentagon official, who declined to be identified, seemed to contradict the Reagan administration's contention that Major Miranda had provided solid evidence of Sandinista plans.

After the defector was made available to reporters last week in the office of Elliott Abrams, the assistant secretary of state for inter-American affairs, Mr. Abrams said: "The military plan is a plan for the creation of a new Cuba."

The briefing Thursday was clearly part of a Reagan administration effort to keep the defector's defection and statements to persuade Congress to approve more aid to the Nicaraguan rebels, known as contras.

The Pentagon briefing was intended to buttress the administration's contention that Major Miranda was a credible source of information. But under close questioning, the official acknowledged that many of the defector's statements were speculative.

The officials have said Major Miranda, who was a close aide to the Nicaraguan defense minister, Humberto Ortega Saavedra, arrived in Washington more than a month ago and has been under interrogation since. The official who briefed the press said he had spoken at length with the major.

The Nicaraguan defector was made available to speak to several reporters during the visit to Washington of the Soviet leader, Mikhail S. Gorbachev. The three-day visit ended Dec. 10.

The official opened the briefing by repeating statements of other administration officials that the United States considers Major Miranda to be a credible source of information.

Citing the defector, he said that Nicaragua had a "clear plan" to invade its neighbor, Costa Rica, which has no armed forces and only a small constabulary. The official said the Sandinistas would rely on a "fifth column" of sympathetic subversives in Costa Rica.

The expansion of Sandinista military power to other nations in the region was the "premise" of a military plan for 1990-1995, the official said. It calls for arming a force of 600,000 Nicaraguans, most of them in a lightly armed militia.

In the question period that followed, the official said Mr. Ortega, who is the brother of the Nicaraguan president, Daniel Ortega Saavedra, had corroborated that figure in a speech last weekend.

Asked about the Nicaraguan plan to attack Costa Rica, the official said Major Miranda told U.S. officials that it was not written down but that it had been discussed at high levels in Managua, along with plans to expand Nicaraguan power elsewhere.

In response to questions, the Pentagon official acknowledged that there was "no concrete plan" by the Sandinistas to conquer another Central American country.

Asked why the defense minister had spoken out, the official said that Mr. Ortega had been angry with the defector, that he had left hurriedly and that he had lashed out without consulting his brother, the president.

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U.S. Panel Agrees Not To Penalize Pakistan

By Don Oberdorfer
Washington Post Service

WASHINGTON — A Senate House conference committee has agreed not to penalize Pakistan for illegally seeking to import U.S. nuclear materials.

The agreement was reached just hours before a federal jury in Philadelphia convicted a Canadian of Pakistani origin of that offense.

The congressional action Thursday on the catchall continuing appropriations bill grants Pakistan a two-and-a-half-year waiver from U.S. nonproliferation laws.

It also provides \$260 million in foreign military sales assistance and \$220 million in economic aid for the fiscal year that ends Sept. 30, 1988.

There had been moves in Congress to cut off or severely restrict Pakistani aid because of repeated reports that the country is developing a nuclear weapons program and after the arrest in mid-July of Arshad Z. Pervaz, the Canadian citizen.

He was charged with seeking to illegally provide Pakistan with sensitive U.S. materials used in making atomic weapons.

The drive in Congress for sanctions against Pakistan was countered and eventually overwhelmed by congressional determination to support Pakistan because of its role in assisting the anti-Soviet rebels in Afghanistan and because of its vulnerability to Soviet pressure.

Representative Stephen J. Solarz, Democrat of New York, a key figure on the Pakistan issue in the House, said earlier that it was a classic congressional struggle between competing objectives.

He said it was a matter of "whether we attach more importance to our nuclear nonproliferation objectives or to support of our Afghanist policies."

Mr. Solarz said the issue may not have been resolved by the conference committee's vote Thursday, in view of Mr. Pervaz's conviction later in the day.

A 1985 measure, bearing Mr. Solarz's name, mandates a cutoff of U.S. aid if a nonnuclear weapons country, such as Pakistan, attempts to illegally export nuclear weapons material from the United States.

"The president has an affirmative responsibility to carry out the law, and the law requires a termination of aid," said Mr. Solarz.

1887 and all that...

The Trib's Centennial Quiz

Here are the winners:

- Mr. Jacques Menard (Paris, France)
- Mr. Alain Delanter (Paris, France)
- Mrs. Mary Bone (Sawbridge, England)
- Mr. and Mrs. Robert (Paris, France)
- Mr. Antoine Visiere (Paris, France)
- Mr. Julian Moseley (Paris, France)
- Ms. Yvonne Shipp (Paris, France)
- Ms. Susannah Boyde (London, England)
- Mr. Guillaume Lemoine (Nancy, France)
- Mr. Gilles Launoy (Paris, France)

The 25 questions included several with multiple answers, which made a total of 34 answers to complete the Centennial Quiz. The ten winners listed above got all 34 answers correct.

The total number of prize-winners, and their prizes:		
Score	Number of winners	Prize
Perfect score: 34	10	One-year subscription (or extension of current subscription) to IHT and a Centennial Medallion.
30-33	183	A copy of "A Century of News from the Archives of the IHT" by Bruce Singer, introduction by Art Buchwald.
25-29	314	A copy of "The International Herald Tribune: the first 100 years" by Charles Robertson.
15-24	243	A 1988 IHT Desk Diary

The prizes are going out this week. Our special thanks go to those contestants who, by the diligence of their research, discovered that Question 6 was wrong: St Thomas More was not canonized in 1887, as the question suggested, but was merely beatified. He was canonized in 1935. Consequently, we gave everyone a "free" answer by counting No. 6 correct for all contestants.

In Market Crash, Prince Charles Lost £7 Million

Reuters

LONDON — Prince Charles lost as much as £7 million (\$12.8 million) in the October stock market crash, financial experts estimated Friday.

The heir to the British throne, whose personal fortune is estimated at £120 million, hinted at his loss during a speech to the London Stock Exchange on Thursday.

Referring to the market slump, Prince Charles said: "Not everyone has managed to keep their shirts since the events of Monday, Oct. 19."

Financial experts said investments by the prince's Duchy of Cornwall, which were valued at nearly £15 million at the beginning of the year, would have risen to about £22 million when the market was high.

After the crash, the holdings would have lost an average 30 percent, wiping out the year's gains.

CHESS: Kasparov Leads in Game

(Continued from Page 1)

match rules state that Mr. Kasparov will remain champion. The last minutes of play were some of the most exciting ever seen in world championship chess.

In a position where Mr. Kasparov retained only a slight edge, Mr. Karpov allowed his own time to run down, and observers said his nerves may have begun to crack slightly.

At move 33 when Mr. Kasparov seized a strong initiative, the crowd in the lecture hall began to cheer. At move 35 they cheered again.

Observers were astonished when Mr. Karpov allowed himself to reach such overwhelming time pressure.

"It was as if his hands were nailed to the table," said a Danish international master, Bjarke Kristensen.

GAME 24 RETI OPENING			
White	Black	White	Black
Kasparov	Karpov	Kasparov	Karpov
1. e4	e5	15. d4	c5
2. Nf3	Nf6	16. Rd1	Re8
3. Bb1	d5	17. Nf4	Bc8
4. Bc2	Be7	18. Bxf3	Qe7
5. Bg2	0-0	19. Ra1	Rf8
6. d4	b6	20. dc	Nac5
7. Bb2	Bb7	21. b4	ab
8. Nbd2	Nb6	22. Qc4	Qa7
9. Ne3	Nd4	23. Bc2	Nf5
10. Nc2	a5	24. Rxd1	Rxd1+
11. d5	Rf6	25. Rd1	Qc7
12. Qc2	Bxb2	26. Nd3	b6
13. Qxb2	Nd6	27. Re1	Ne7
14. c4	Bxd5	28. Qb5	Nf3

Adjudged.

A Manufactured Protein May Block AIDS Virus

Procedure Works in Dish in Lab, But Scientists Await Human Trials

By Gina Kolata
New York Times Service

NEW YORK — Scientists have developed a novel technique that, in theory at least, would use a cellular protein to block the AIDS virus from reaching the body cells that are its target.

The technique is about to be tested in animals and, if it continues to show promise, it could be tried in humans within a year.

While scientists said they were excited by the development, they warned that even if tests are promising it would probably take years to develop a treatment for wide use by AIDS patients.

In addition, they cautioned that the protein had only been tested in the laboratory. They said that treatment of humans with it might turn out to have unacceptable side effects or that it might fail to provide protection when injected into the body.

The key to the new approach was the synthesis of a cellular protein that, in laboratory dishes, stops the virus that causes acquired immune deficiency syndrome like a sponge. The synthesis was accomplished with techniques of genetic manipulation.

In the body the protein, CD4, normally plays a crucial role in the spread of the AIDS virus from one cell of the immune system to another. The virus latches onto the protein on cell membranes as the first step in invading the cells.

Scientists have discovered that in laboratory dishes, isolated bits of the protein attract the AIDS virus to themselves, preventing it from entering nearby cells.

They hope that when CD4 is administered to people infected with the AIDS virus, the protein might serve as a decoy, absorbing the virus and halting its spread to new cells. It also might be possible to attach virus-killing drugs to the protein in order to deliver the drugs directly to the AIDS virus, scientists speculate.

"This is a very exciting way to go," said Dr. Samuel Broder, a scientist at the National Cancer Institute who is a leader in the development of treatments against the fatal disease, which cripples the immune system. "There is a great deal of enthusiasm for it."

"I'm very enthusiastic about the concept," said Dr. Anthony S. Fauci, the director of the National Institute of Allergy and Infectious Diseases in Bethesda, Maryland. If animal tests of safety and effectiveness are successful, he said, the federal agency would lead its full support to human trials.

The CD4 protein "binds incredibly strongly" to the AIDS virus in the laboratory, said Dr. Jerome Groopman, of New England Deaconess Hospital in Boston, who is testing the protein in association with Genentech, a biotechnology company in San Francisco.

Scientists from Genentech Inc. and Dr. Groopman's team reported in Thursday's issue of the journal *Science* that they had produced CD4 by inserting the human gene that directs its manufacture into animal cells, which then make the protein.

Dr. Daniel Capon of Genentech said that in the laboratory, the CD4 protein had prevented more than 99 percent of cells from being infected with the AIDS virus. "The inhibition is impressive, there's no question about that," Dr. Capon said.

In the body, scientists believe, the protein would not eliminate the AIDS virus altogether, but they hope it might slow or halt progression of the disease by preventing the virus from invading new cells.

Genentech is one of at least four companies or groups that have raced to synthesize CD4. Similar reports by three others are about to be published elsewhere. One of these groups, Biogen, of Cambridge, Massachusetts, announced some of its results at a meeting in September.



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Glasnost Meets the Soviet Press, Sort Of

By Celestine Bohlen
Washington Post Service

MOSCOW — The press briefing for Soviet journalists at the state planning agency was well under way when an exasperated reporter from Literaturnaya Gazeta addressed the spokesman.

"Tell me, just what kind of event are we attending here?" asked Alexander Levikov. "A press conference is to give information to the press, yet the whole time you keep warning us — this is 'not for publication.'"

According to the story as retold by Mr. Levikov in this week's edition of his newspaper, the deputy chairman of Gosplan, the state planning agency, apologized, saying he had still not broken with "old habits." The journalists were given permission to use such mundane facts as the drop in world oil prices and a resulting decrease in Soviet imports.

Mr. Levikov's article pointed up the latest, sometimes contradictory stage in the continuing debate over glasnost, as Mikhail S. Gorbachev's policy of openness is called in Russian. For a press to be open, it needs access to information, which is proving to be a difficult task in a society that in the past has considered the most obvious facts to be top secret.

While top party leaders give speeches urging the press to keep up disclosures of official misfeasance, newspaper editors report greater resistance to the press on the part of local authorities.

Mr. Levikov cited examples: a deputy minister of light industry who called a shoe factory built by Italians a "secret" and trade experts who refused to divulge statistics on coffee deliveries, saying that they, too, were classified.

This hostility to the state-controlled press continues despite the growing trend to regular briefings which until recently were unheard of.

Now, for instance, the Ministry of Internal Affairs has opened its weekly briefings to foreign reporters, giving out once hidden statistics from the capital city's police blotter (three murders, six deaths by fire and 12 in car accidents were reported in Moscow last week).

When to print and what to print are issues that are far from decided, although journalists and government officials have accumulated considerable experience over the past year. In January, Mr. Gorbachev declared glasnost a cornerstone of his new reforms. As he and other members of the leadership say repeatedly, without open debate, managers will become isolated and corrupt, workers will lose interest and the stagnation that crippled the Soviet economy will set in again.

Lately, the repetitions have bordered on harassment as leaders exhort the press to step up its openness campaign, to draw "a second wind," Mr. Gorbachev said in a speech at the Communist Party Central Committee on Nov. 20.

But there are hints that not everyone understands openness to be the same thing. Although progressive-minded editors see it as independence from control, Mikhail S. Solomentsev, a Politburo member, recently said glasnost should be developed into a "well-oiled, efficient mechanism."

As the Soviet economy gears up for major changes that are to go in place Jan. 1, more attention has focused on the press. In a meeting with media executives on Dec. 1, Alexander N. Yakovlev, a Politburo member and the propaganda chief, warned journalists against abusing their avant-garde position in the battle for reforms through "carelessness and slipshod preparation of material."

But Mr. Yakovlev urged journalists to become society's teachers — to inform, to inspire

and most significantly, to criticize even when the criticism hurts.

The attack on those who have tried to squelch the press has been carried by other leading editors, including Viktor G. Afanasiev, editor of the Communist Party newspaper Pravda.

"Perhaps the most widespread form of struggle against glasnost is the suppression of criticism," wrote Mr. Afanasiev in Pravda on Dec. 14. He said cases had occurred where those criticized reacted by digging into journalists' backgrounds, "looking for dark spots," sometimes even inventing crimes. In some cases, journalists have been jailed, and their cases only overturned "on the very highest party levels," he said.

According to one source, Mr. Yakovlev criticized Pravda, the country's leading paper, for failing to keep pace with reforms at the Dec. 1 media meeting. Mr. Yakovlev is seen as being in ideological opposition to Yegor K. Ligachev, No. 2 in the Kremlin who in meetings with media executives this fall reportedly criticized the editors of Moscow News and Ogoniok, two publications seen as being in the vanguard of glasnost.

In an interview in Paris, Mr. Ligachev defended his criticism of the progressive editors, noting if journalists now can criticize party leaders, then leaders should be allowed to criticize journalists.

Readers of Soviet publications are receiving their own votes: Circulation for Ogoniok, once a staid picture weekly, has jumped 225 percent to 1.3 million copies over the past year when it became a lively flagship of glasnost. Subscriptions for two monthly magazines, Novy Mir and Znamya, which have also printed provocative articles, have doubled, according to their editors.

MAFIA: Despite Trial, Group Remains a Way of Life

(Continued from Page 1)

body. He was found guilty of taking part in 38 decisions to order homicides but was found innocent in 40 similar killings.

"The internal logic of this verdict is impossible to decipher," the lawyer said.

The phone rang in his office. It was the wife of a defendant, and he took several minutes to explain that the man had been found not guilty of narcotics trafficking but guilty of belonging to the criminal conspiracy known as the Cosa Nostra.

"The verdict seems to reject the idea of collective guilt," the lawyer said, "because people are found guilty of some crimes but not others, yet in many cases it accepts this

broad accusation of membership in the Mafia."

During the trial, Mr. Galina Montana argued for a "horizontal" view of the Mafia as many small clans that reflected an old mentality, each in their own territory, and who did sometimes commit crimes. He thus combated the prosecution's view of a "vertically" organized Cosa Nostra.

"The verdict did not deny the existence of the Mafia, but it did not absolutely affirm the existence of the Cosa Nostra either," he said.

The Reverend Bartolomeo Sorge told some of the young men and women training to enter public life at the political studies center he

directs to avoid making too much of the verdict.

Gathered in a small garden during a break between lectures they expressed amazement that so many big names previously thought beyond the law had been found guilty.

"Yes, there is cause to be satisfied," said Father Sorge, "but only one form of the Mafia was under attack. The organization's political connections were not exposed, and the Mafia culture still exists many places."

Father Sorge concluded, "The trial's greatest value is as a symbol of a Sicily that is changing but still has a long way to go."

GAZA: 3 Palestinians Die

(Continued from Page 1)

day, saying: "No problem can be solved by running away from it. If the army is not in Gaza, it will be ruled" by the Palestine Liberation Organization.

■ Hostages Threatened

Kidnappers of four foreign professors in Lebanon threatened Friday to take reprisals against their hostages if Israel continued to crack down on Palestinians in the West Bank and Gaza Strip, Reuters reported from Beirut.

Islamic Jihad made the threat in a statement sent to the independent An-Nahar newspaper.

MERRY: Not Grandmother's Again

(Continued from Page 1)

the problems beforehand and establish some sort of agreement about the issues most likely to provoke hostility. "This visit we will not discuss what I wear, how I raise children, how much people weigh, hair styles or my husband's job."

If your family is beyond changing, then it may be up to you to change. Start by picking your battles. Not every comment, criticism or instruction from a parent or sibling is worth fighting about. Save your fights for the bigger issues.

Humor, but not sarcasm, can take the edge off a potential conflict. When the mother of a 38-year-old lawyer repeatedly cautioned her daughter about stopping for red lights, the daughter responded: "But Mom, that's so conventional. I want to be different. I want to go on red and stop on green."

The mother quickly got the picture. One strategy is to avoid depending on parents. This reduces the chances of regression into old parent-child roles and relieves demands on parents who have come to enjoy their independence.

Richard Mikese, a psychologist in Washington, believes structuring

the holiday visit can head off many conflicts. Instead of expecting parents to house, drive, feed and entertain you, he suggests staying in a nearby hotel or motel, renting a car, participating in meal preparations or taking the family out to eat once or twice.

To reduce the chances of sibling conflicts, he suggests getting together with brothers or sisters outside the parental home, which often sparks old rivalries.

To overcome resentments about spending precious vacation time on family reunions that people regard as command appearances, try keeping the family visit short and scheduling a real vacation before or right after it.

Labor Secretary Sworn In

United Press International

WASHINGTON — Ann Dore McLoughlin, a public relations specialist for two Republican administrations, was sworn in Thursday as the first woman secretary of labor in a half-century and the only woman in President Ronald Reagan's cabinet.

CZECH: Leader Cautious

(Continued from Page 1)

with a red banner headline over a half-page photo of Mr. Jakes, people in Prague seemed more interested in shopping or in the festive Christmas displays set up in squares in the old town.

Several residents said they knew little about Mr. Jakes but assumed he would continue Mr. Husak's policies.

Officials portrayed the transition from Mr. Husak to Mr. Jakes as one of the smoothest in the history of East bloc Communism, planned for months, agreed on unanimously by the leadership and designed by Mr. Husak to ensure perpetuation of his policies.

At a news conference after the party meeting, a Central Committee foreign relations official, Michal Stefanak, said Mr. Husak, 74, first suggested to the 11-member presidium at the beginning of this year that at the end of 1987 he might give up his post as party chief while retaining state president, largely a ceremonial position.

Mr. Stefanak said that Mr. Husak did not feel he was physically capable of keeping both positions as he approached his 75th birthday

next month and that he believed one person should devote all his energy to directing the complicated restructuring program as party chief.

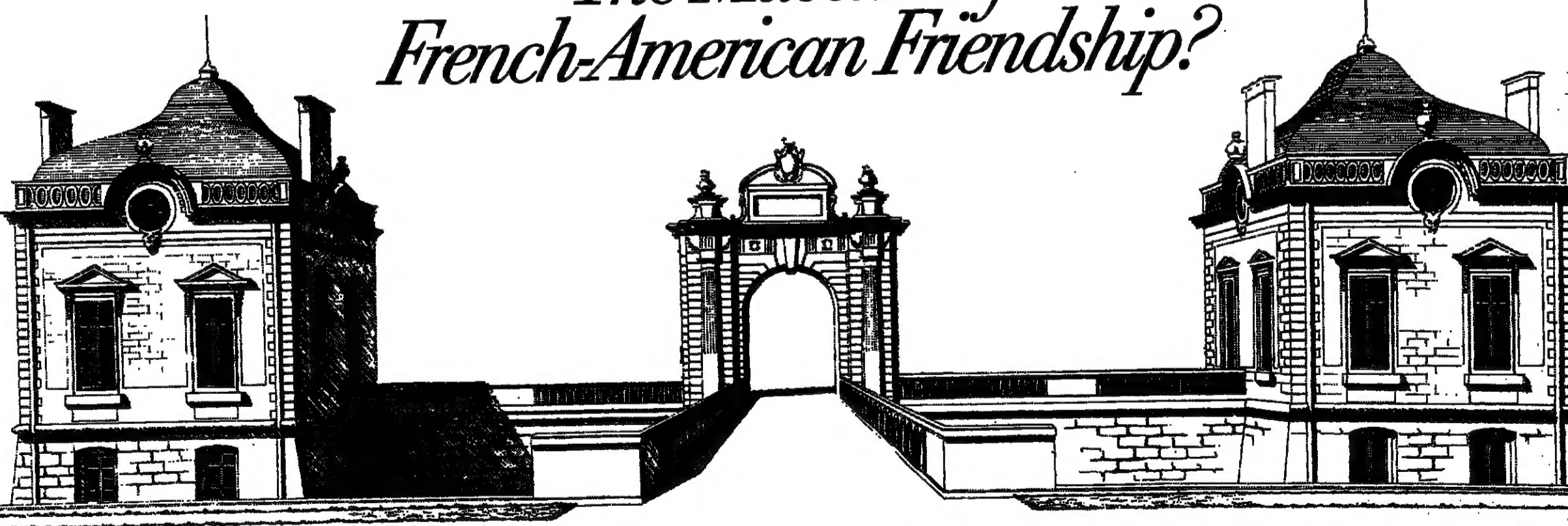
Despite Mr. Jakes's pledge to pursue economic restructuring, the two-day Central Committee session did not take a decisive stand on a "complex document" outlining economic change or on draft laws on the management of state enterprises, agriculture and cooperatives, officials indicated.

The committee had been expected to approve the measures, drawn up over the course of the last year and submitted to a public debate during the summer and autumn.

Mr. Stefanak said the committee had returned the documents to the government for "further work" before the session of the Federal Assembly, or parliament, next spring.

The action suggested the party had been unable to reach full agreement on the measures, which include a partial decentralization of state economic management, price restructuring and other steps designed to make the economy respond to market forces.

Do you Know Blérancourt, The Museum of French-American Friendship?



The Château de Blérancourt, a seventeenth century masterpiece by Salomon de Brosse is located 125 km (80 miles) north of Paris near the historic town of Compiègne (see map). The main body of the Château was destroyed during the French Revolution but four exquisite pavilion buildings remain in which the museum is housed.

The Blérancourt museum was founded by Anne Morgan, daughter of the financier J.P. Morgan, who bought the property in 1917 to shelter the wounded and homeless during World War I and sub-

sequently lived there for many years. While at Blérancourt, Anne Morgan collected works of art and documents reflecting the history of Franco-American relations from the American Revolution to the present day. In 1929 she presented Blérancourt and its collections to the French government and it was given the status of a French national museum and was officially named the Museum of French-American Friendship.

The exhibits, composed of paintings, sculpture, historical memorabilia and documents are extremely varied and everything in the museum illustrates either historically or artistically the close relationship between France and the United States over the

past two centuries. Among the most moving souvenirs on display are a Ford ambulance used by the American Field Service during World War I and the order for D-Day dated June 6, 1944, signed by General Eisenhower.

The museum also illustrates the rich cultural and artistic exchanges between the two countries, with exhibits from the many French artists drawn to America for inspiration as well as those American painters influenced by France.

Led by its dynamic curator Pierre Rosenberg, Blérancourt has exciting plans for development, including the expansion of the museum's art collection through the permanent loan of fifty paintings from the Louvre, the Musée d'Orsay and the Centre Georges Pompidou. This permanent exhibit will be housed in one of the pavilions — renovated and expanded for the purpose. In the surrounding grounds, a botanical museum has also been created using American

species. It includes an arboretum of American trees selected for their autumn foliage.

The French government has responded by increasing its subsidy but substantial outside funds will also be needed. A fully tax-exempt US foundation

— American Friends of Blérancourt, Inc., has been established and the Florence Gould Foundation has contributed a special matching grant of \$500,000. Other leading foundations as well as leading companies with Franco-American ties also contributed: Dillon Foundation, Disney Foundation, Frederic Henry Prince Foundation, Mona Bismarck Foundation, Seth Sprague Foundation and Air France, Caron, Elegance Inc., France Telecom, I.B.M., Manpower.

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19-12-87

Austria: New Challenges

IN THE NEWS

Sept. 1: Commission Begins Probe of Waldheim

An international commission of historians, appointed by the Austrian government to investigate charges against President Kurt Waldheim, holds its first meeting. Scholars from Belgium, Israel, Switzerland, the United States and West Germany will issue their report early in 1988.

Nov. 5: Chancellor Moves On EC Membership

Chancellor Franz Vranitzky, discussing Austria's future links with the European Economic Community, declares in Bonn that full membership in the EC would be consistent with Austrian neutrality and could not be ruled out at a later date.

Nov. 8: Ruling Party Suffers Setback

The People's Party, which rules Austria in coalition with the Socialists, is the unexpected big loser in Vienna local elections. The party has been losing ground steadily in a string of local elections, but the setback is not thought to be a result of the Waldheim affair. The right-wing Freedom party, headed by Jörg Haider, nearly doubles its vote to just short of 10 percent.

Nov. 18: Official Resigns Over Anti-Semitic Remark

The People's Party secretary, Michael Graff, is forced to resign after saying that as long as it cannot be shown that Mr. Waldheim "strangled six Jews with his own hands," the president will be all right. Carl Hödl, another People's Party official and the deputy mayor of Linz, is also forced to resign over anti-Semitic remarks.



Kurt Waldheim

Dec. 5: Waning Support For Waldheim Signaled

The Vienna daily Die Presse reports that officials of the two ruling parties have begun soundings about a possible resignation of Mr. Waldheim. The report in the pro-Waldheim paper is seen as a signal of erosion in political support for Mr. Waldheim. Presidential officials rule out resignation.



In Pursuit of a National Identity, Austrians Grapple With History

Soul-searching has become a national neurosis.

By Traudl Lessing

VIENNA — Ask a child, ask anyone to draw an Austrian and he will produce a manikin in short leather pants and a peaked hat with a feather or the strangely heathen *gamsbart*, an upstanding brush made from the hair of the chamois, the European mountain goat.

This simplified image is more typical of the Austrians than the logos of other nations are for them. Under no circumstances would a French girl wear the red Jacobin cap of Marianne. No German nowadays would pull over his ears the nightcap that has graced the German *Mittel* for centuries. No American would wear Uncle Sam's top hat and old-fashioned waistcoat.

But come the first warm days, millions of Austrians put on their national costume: colorful dirndls for women; sturdy leather lederhosen and the peaked hat with *gamsbart* for men. Goisern, a town in Austria's lake area, even has an annual *gamsbart* competition. The triumphal advance of blue jeans, washed at least once a week, has not really

been able to replace the local leather pants, which are never washed and are only considered in their prime after they have become so patinated that they can stand upright next to their owner's bed.

Local dress is not limited to casual wear. For aristocratic weddings in elegant country houses, for slippin' culture at the Salzburg festival, the loden tuxedo and the ankle-length silk dirndl have become a must. A snobbish cult has developed around the national costume.

It can be said, therefore, that the Austrians see themselves as a *Homo alpinus*, an upright, honest, nature-loving breed come down from mountain pastures and high valleys and tied to their rock-studded fatherland by local costumes, yodeling, skiing and Sunday hikes. But a cult of leather pants and a chauvinistic interest in hardy mountain folk is perhaps insufficient to define a nation.

VIEWPOINT

Austria, this German-speaking remainder of a once-large empire, has wavered for long between the wish to regain former greatness—or at least size—by a union with neighboring Germany, and the necessity to find an identity of its own. The Swiss, neighbors of a comparable size, never seem to ask themselves philosophic questions about their nationhood, serenely accepting that a common history within common boundaries suffices to tie four tribes with four different languages into a national bundle.

The Austrians, unlike the Swiss, who opted out of world history earlier, have never quite

managed to find their self-assurance. And now, between the election of Kurt Waldheim to the presidency and the approaching memorial year of 1988—50 years after the *Anschlus*—national soul-searching has become a national neurosis, and editors, psychiatrists, elder statesmen and sociologists have filled a

Continued on page 8

Austerity and Realism

Waldheim Affair, Economic Changes Create Turbulence

By Henry Tanner

VIENNA — For a small country that cherishes coziness and likes to pretend that it is untouched by the world's tensions, Austria is having a decidedly turbulent time.

It is a country in flux on several fronts, the discomfort going behind the international furor over the continued tenure of President Kurt Waldheim.

For the first time since it regained its independence in 1955, the national economic and social order is being radically transformed. The Austrian welfare state, once proudly hailed as a model for others, is being scaled down in an effort to reduce the towering public debt and make Austrian industries competitive before the European Community abolishes internal tariffs in 1992.

Full employment, once the cornerstone of the "Austrian model," has been scrapped, and aides to Chancellor Franz Vranitzky, a Socialist, now speak of the need for a "cushion of unemployment," a phrase that old-school Austrian Socialists, remembering Bruno Kreisky, another Socialist chancellor, call heresy.

The new catchwords are austerity and realism, as the center-left coalition, the product of last year's inconclusive election, struggles to preserve what it can of the system of social benefits and labor peace created at the time of the economic miracle.

Even old age pensions are "no longer sacred cows," a government official says. State-owned heavy industries, the "unsinkable ships" of the Kreisky era, are being privatized, and some of those that are not viable are being closed down.

Other certainties also are vanishing. Mr. Kreisky's policy of "activist" neutrality, with controversial initiatives in the Middle East and Eastern Europe, has been quietly

dropped. Mr. Vranitzky and Deputy Chancellor Alois Mock are calling for association with the European Community, possibly even full membership.

Such close ties with the West Europeans would not come easily to the neutral Austrians. "We dislike the Germans, look down on the Italians and find the Swiss boring," says Peter Michael Lingers, editorialist of profile, the leading Vienna weekly.

But neither the economic restructuring, which touches jobs and daily lives, nor the European issue, which will shape the country's future, are the subjects of the most heated discussions either in public or in private.

The controversy surrounding Mr. Waldheim remains the central topic. Nearly two years after it started, "it keeps cropping up in every conversation, with friends and with strangers in pubs," a Socialist official and a rightist politician said in identical words. "It takes so much time, and it overshadows everything."

"You pretty much know what everybody thinks; when people get together, the two sides rush at each other like rugby teams wearing different-colored headbands," said another Viennese.

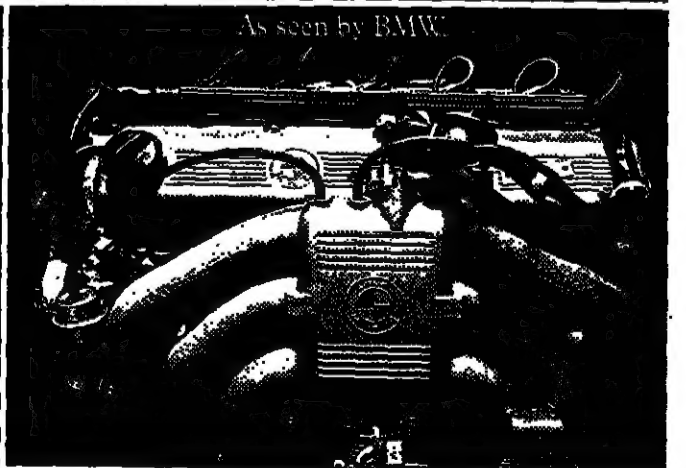
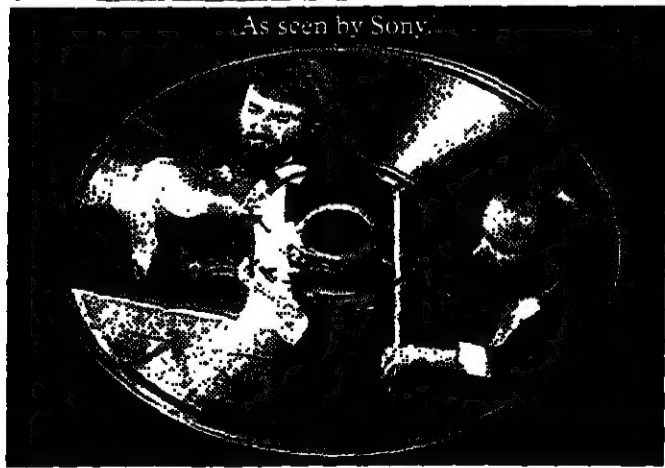
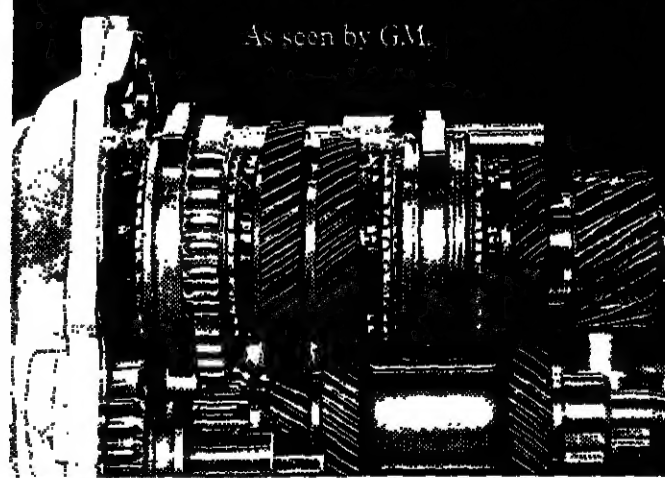
The controversy has taken a new turn in recent weeks. Mr. Waldheim's isolation has deepened.

His chief supporters in the People's Party are hurting politically. Mr. Mock, the party president, who had launched the Waldheim candidacy, is losing control of his party. The party secretary, Michael Graff, was forced to resign, against Mr. Mock's will, under pressure from provincial party leaders who found his latest anti-Semitic remark simply too much.

Even in the press, which had been aggres-

Continued on page 8

THE BEAUTY OF AUSTRIA



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Image and Identity

Waldheim Affair, Economics Create Turbulence

Continued from page 7

sively and almost unanimously pro-Waldheim, there are signs of disaffection.

For the first time, there has been serious talk that the president may be forced to resign, even though this remains unlikely. Die Presse, Vienna's one serious daily and long a consistent defender of the president, reported that discreet talks to this effect took place between the two coalition parties.

Thomas Chorrer, the paper's editor, who as late as last July took most of a full page to blame Austria's troubles on the foreign press, now says that Mr. Waldheim's voluntary resignation might be a good thing for the country but is not in the cards.

Public opinion also has been evolving. "Jetzt erst recht" ("Now more than ever") was the slogan that the managers of the Waldheim campaign tacked on to his posters when the charges of the World Jewish Congress first broke. The truculent message summed up the nation's mood at the time.

Today, the holes in this national solidarity are widening, judging from the number of critical letters to newspapers and other indications. The national mood changed noticeably after the summer holidays, "when every second Austrian returned from Italy and elsewhere appalled by what people are saying about his country," a politician reports.

A leading editor last week ventured the guess that public opinion now is about evenly divided and that a plebiscite about the president could go either way. The question is not entirely ac-

ademic, since a popular vote or a new parliamentary election would be inevitable if the president stepped down.

As time goes on, the "Waldheim Debate" has been transformed into two separate debates. One is about the person and the office of the president. The other is a national debate about the identity of Austria and the country's role in history, about guilt and innocence during the Nazi period and also about anti-Semitism.

The two debates overlap. But the second is more important.

Many Austrians are beginning to be convinced that this larger national debate is a good thing for the country even while the controversy about the person of Mr. Waldheim is blackening Austria's image abroad.

"Waldheim is the catalyst for a national debate that we should have had 40 years ago," said Eva Novotny, an official in Mr. Vranitsky's office. "We are talking publicly about issues which up till now were the subject of a learned debate between a handful of professional historians in the privacy of their libraries."

Young Austrians, she added, have been hungry for information for a long time and many of them are now getting answers for the first time. "We are beginning to look at ourselves more critically than ever before," said Christian Cap, a Socialist member of parliament said, adding, "It is high time that we convince ourselves that Austria is more than Mozart and Gemütlichkeit."

Writers, artists, young people and plain members of the public carried the burden of the debate at the time when the politicians and most of the journal-

ists were still marching in step with Mr. Waldheim.

For two months last summer, Vienna of all ages kept a round-the-clock vigil in front of St. Stephen's Cathedral, attracting passersby at all times of the day and night and engaging them in discussions on the underlying issues of the national debate. The vigil was held in front of a plaque commemorating the Austrian resistance to the Nazis.

"Born Guilty" is the title of a drama that has been playing to capacity audiences in a Vienna experimental theater all through the fall.

In a sequence of monologues and dialogues, actors representing the children and grand-children of Nazis act out in stark emotional detail how they discovered the guilt of their fathers and how they coped with being "the son (or daughter) of a murderer." The play is a powerful adaptation of a book of recorded real-life interviews. The author, Peter Sichrovsky, is a 40-year-old Viennese Jew who went to live in Germany and has returned, albeit with trepidation.

In another part of town, at the Akademie Theater, full houses are applauding a revival of "Herr Karl," an evening-length monologue by an aging Viennese Everyman recounting the personal betrayals and a political opportunism that made his life. "Herr Karl" was the creation of Helmut Qualtinger, an actor of post who died a year ago. Many ad expected the play to die with him. Several introspective books about contemporary Austria, often by young authors, have the place of honor on the counters of Viennese libraries.

One, called "Essay on Austria" by Josef Haslinger, includes an incisive analysis of the part of Mr. Waldheim's strategy that many Austrians feel inflicted the deepest and most lasting damage on the nation — namely, his repeated assertions that "like hundreds of thousands of other Austrians, I did nothing but my duty as a soldier."

This, Mr. Haslinger argues, was a cruel hoax as well as blackmail. It misrepresented the charges against the president by twisting them into an accusation against all Austrians who had served in the German Wehrmacht. The result, Mr. Haslinger says, was a forced unreal solidarity wrung from every citizen who had to fear that if Mr. Waldheim could be accused for doing his duty, so could he.

The growing impression that they have been "hijacked into Mr. Waldheim's own personal scheme of guilt by association," as one Viennese writer put it, is one of the reasons why an increasing number of Austrians feel mounting resentment against their president.

Some long-standing taboos and alibis have been eroded if not removed in the course of the national debate. One of these taboos is anti-Semitism and the discussion of anti-Semitism.

There have been opinion polls and investigations by newspapers that registered the rise in anti-Semitism in the wake of the charges by the World Jewish Congress.

When the weekly Wochenpresse denied the existence of renewed anti-Semitism, its rival, profile, offered proof to the contrary by printing a full page of crudely anti-Semitic imprecations that had been phoned in to the switchboard

of Austrian television after a program on "Jewish-Christian reconciliation." Cardinal Franz Koenig, one of the most respected Austrians, spoke up to deplore the re-emergence of anti-Semitism and appeal to Austrian Catholics to re-dedicate themselves to the spirit of tolerance.

In a remarkably frank speech, the cardinal also said that leading Austrian prelates, including his predecessor as archbishop of Vienna, Cardinal Theodor Innitzer, had welcomed Hitler and later regretted their error.

Cardinal Koenig, who stepped down as archbishop of the capital two years ago at the mandatory age of 80, remains a powerful moral force in the country. He has long been an exponent of liberalism in the church, in contrast to his successor, Monsignor Hans Hermann Groer, a conservative.

Liberal Catholic laymen, who have been in despair at the failure of the church hierarchy to act as a voice of moderation in the national debate, assert that the lack of official church leadership prompted Cardinal Koenig to speak up and set a personal example of candor for Austrian Catholics. The cardinal's Vienna office has been swamped with requests for copies of the speech.

The next step in the drama will come with the report of the international commission of historians who have been appointed by the government to investigate the charges against Mr. Waldheim. The report is due in January or February.

Mr. Mock has tried, but failed, to convince the commission to confine itself to the narrow question of criminal guilt. This would have made it possible



President Kurt Waldheim speaking to the press after his election to the presidency in June 1986.

to proclaim the vindication of Mr. Waldheim if, as is likely, the historians failed to come up with a war criminal's "smoking gun."

Instead, the commission has made it clear that it will look also into the broader question of what Mr. Wald-

heim knew — and concealed. On those grounds, the president is thought to be more vulnerable.

HENRY TANNER is on the staff of the International Herald Tribune.

In Pursuit of a National Identity, Austrians Grapple With History

Continued from page 7

small library with analyses of the Austrian character.

The mannikin with the leather pants and the furry hat is not a German. That much seems to be obvious to the mass of Austrians, with the exception of a few Nazis and Greater Germans and a small insular fringe of the skinhead type. It took Hitler, the common experience of concentration camps and the privations of World War II to make Austrians aware that they could be a nation of their own.

Through their East European-related history, they developed into a nation apart, despite a common language and culture with their German big brother, whom a majority of Austrians had received with so much enthusiasm in March 1938.

In May 1945, the Austrians quickly forgot the romantic ties that had bound them to Greater Germany. The stampede to get away

from them angered, and still angers, some Germans, and the bitter statement that "the Austrians' greatest achievement was to make the world believe that Hitler was a German and Beethoven an Austrian" is not wholly undeserved.

But creeping quietly out of the history of the Nazi years was not a total success. Too much had to be swept under the carpet and too much did not fit the picture of the Austrians as the "first victims of Nazi aggression." There were the photographs of thousands of Austrians enthusiastically greeting Hitler "the liberator" and other pictures of pleased-looking Austrians watching Jews clean pavements.

This darker side of the sybaritic, singing and dancing Austrian has found an early expression in the two truly Austrian styles — 18th-century baroque and turn-of-the-century Jugendstil. The theatrical, whipped-cream-and-curlicue baroque also delights in skulls and other paraphernalia of death. And the morbid side of Austria's Jugendstil, the deadly sweet-

ness of an overripe culture, has been discovered by the world at large in recent years, possibly because the "death-in-life" tradition seems now less absurdly and locally Austrian to Western nations used to dancing on the nuclear volcano.

The basic insecurity, the anticipation of inescapable disaster, makes the attending marvels of life so much sweeter: the turbulent madness of the waltz, the temptation of the fresh Austrian wines and the consolation of music. They are much more important to Austrians than to many other nations.

Dancing is a way of life in Austria, from the Vienna social season with about 800 balls (including dances for the bakers, the plumbers and those of individual Vienna districts), to regular dances on the village green on *Kirtag*, the day of the saint to whom the village church is dedicated.

Austrians dance at country weddings, they dance into the new year to the sound of "The Blue Danube Waltz," and they dance into old

age in booked-up dancing classes for senior citizens.

Austrians, when criticized as a nation, have often pointed to the fact that "After all, we've had Mozart and Beethoven," as if this were a merit not to be clouded by small weaknesses.

What makes Austria a country where music seems ever-present are the thousands of village, fire brigade and railroad workers' brass bands, and the small town, trade union and church choirs, where hard-working citizens spend their free time laboring into the night in order to be able to play a marching tune without a false note or sing an ancient fugue for four to six voices.

All of Austria was up in arms when an American television report in the 1960s painted the Austrians as a bunch of whipped-cream eaters who leaned on their shovels like workers' monuments instead of charging ahead into modern times.

In the meantime, Austrians have learned to live with their image as gluttons. They have

successfully resisted *nouvelle cuisine*, have never forsaken their dumplings, roast pork, Hungarian-style gulyas and heavy sweets, and die of heart disease from overweight more often than from liver complaints, which speaks for the quality of the light Austrian wines and not for the nation's abstinence.

So who are the Austrians? Even National Day does not produce a heroic profile before a background of crackling flags. The choice of date gives rise to doubt: In polls, a majority insists that Oct. 26 was chosen because "that was the day in 1955 when the last Russian soldier left the country." Wrong. It was the day when the Austrian parliament unanimously accepted "everlasting neutrality."

The celebrations traditionally consist of a hike. People assemble around 9 A.M., and the federal president wishes a happy holiday over the radio and sends the marchers off. Chattering, munching sandwiches and trying to untangle dogs' leashes and pram wheels, rows upon rows of citizens wind through the Vienna Woods, the Salzburg hills or up the steep slopes of Innsbruck. At the end, every finisher receives a pin, confirming that he walked six miles (10 kilometers).

This peaceful, friendly event hides a deep uncertainty about the past: What should Austria celebrate?

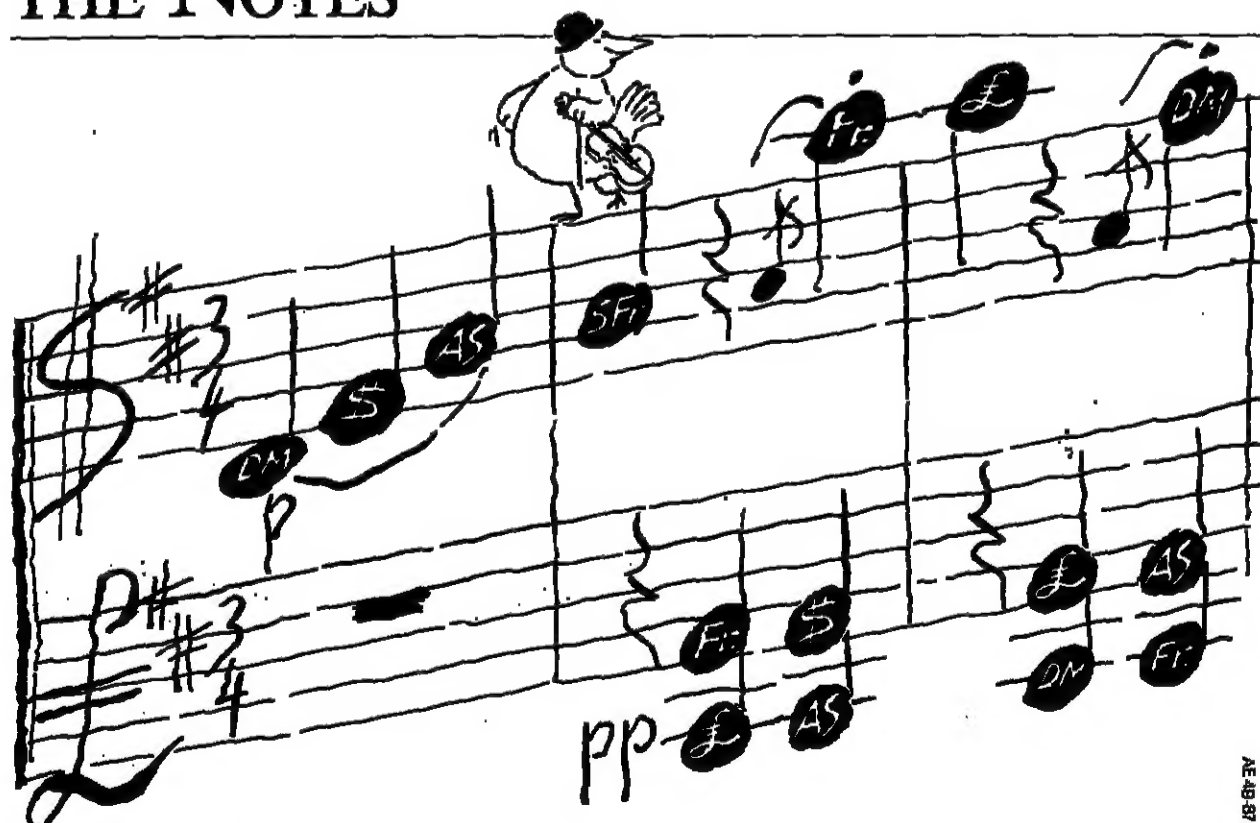
Its Nazi and war past? That has been declared unhistorical. The Austrian-Fascist days of 1934 to 1938? God forbid. The good old emperor? Republican Austria knows that the empire was not exclusively Empress Sissy and dancing countesses.

What can be celebrated is a perfect understatement: a small nation in a small country groping its way toward self-sufficiency and self-made neutrality and hoping for a place, not in Greater Germany, but in Greater Europe.

TRAUDL LESSING, an Austrian journalist who lives in Vienna, is a special correspondent for Time magazine.

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Trading Partners

East or West? Debate Renews on Approach To EC Membership

By Dennison Rusinow

VIENNA — Intimately bound to the West by sentiment, ideology and institutions, geographically vulnerable and historically linked to the East, Austria's relationship to the European Community is a hotly debated issue. Some who favor closer links or full membership are defining it as a critical choice "between isolation and integration."

The question has been reopened by an increasing awareness of the economic costs and personal inconveniences of nonmembership, and by concern that these will increase substantially as the EC moves toward the unified "internal market" that its members are pledged to achieve by 1992.

The answer of most Austrian decision-makers used to be that Austrian membership in the looser European Free Trade Association (EFTA) and Vienna's 1972 free trade agreement with the EC were as much as the economy needed and all that a strict interpretation of Austria's "permanent neutrality on the Swiss model" would allow.

This has changed since the Socialist Party and the conservative People's Party formed a "grand coalition" under Chancellor Franz Vranitzky, a Socialist, last January, and the pace of change has accelerated in the past two months.

Austria wants to participate fully and comprehensively in the internal market," is how Manfred Scheich, who heads the Foreign Ministry's department for international economic relations, summarizes the government's position. Six weeks ago, Mr. Scheich, who also directs an interministerial "working group for European integration," created last February, could also tell a visiting reporter that full membership in the EC "is not a government policy."

Critics have been saying that the EC is bound to reject participation without membership as an unacceptable Viennese attempt "to pick the raisins out of the cake," the Austrian phrase for attempting to have one's cake and eat it too. In response, government officials emphasized that there is a "global approach" in which they are prepared to swallow the whole internal market concept, including unappetizing parts like contributions for the community's less-developed regions and its costly Common Agricultural Policy.

In evidence of their earnestness, they cite a new rule that all relevant draft legislation must

include a clause describing its compatibility with existing EC norms. Steps to bring Austrian product standards into conformity with EC standards are also said to be in advance of those of other EFTA and some EC members. (The EFTA groups Austria, Finland, Iceland, Norway, Sweden and Switzerland.)

Now, the government's position, reviewed at a cabinet meeting on Dec. 1 and confirmed in two subsequent statements by Foreign Minister Alois Mock, seems to have taken another step: EC membership "is not excluded" and would be compatible with neutrality as presently construed.

For some Austrian commentators, this Viennese hesitation waltz with the EC is evidence that the coalition still does not know or is divided about what it really wants. For others, it is a sensible (or devious) strategy to prepare business and public opinion for future membership. Also, negotiations that do not have membership as their declared aim are considered easier for both partners.

Mr. Mock may have had the second interpretation in mind when he told a gathering of experts on Dec. 3: "Today, we can observe a dynamism and enthusiasm for integration that was unimaginable two years ago."

Another reason for the hesitation is a question that has hovered over Austrian foreign relations since 1955: What kinds of international economic or other associations and commitments are compatible with the country's "permanent neutrality," and in whose eyes? In 1955, the Austrian parliament adopted a constitutional law pledging "permanent neutrality" as a voluntary quid pro quo for the state treaty that had just restored the country's full sovereignty after 10 postwar years of four-power Allied occupation.

Austrian governments have consistently defined their version of neutrality, which they call "active," far more broadly than their Swiss neighbors. They joined and have played an active role in the United Nations, and tend to speak up loudly on far-flung international issues.

LIKE THE comforting presence of 1,300 international civil servants in the towers of Vienna's "UN city," these activities are regarded as a little reassurance, through high visibility, that neutrality will be respected despite Austria's small size and defenseless position between the Warsaw Pact and the North Atlantic Treaty Organization.

Whether joining the EC would also be compatible with permanent neutrality is open to challenge because the EC aspires to political (and someday perhaps military) as well as economic integration. At least this is what the Soviet Union, claiming a right to object as a signatory of the 1955 state treaty, has previously

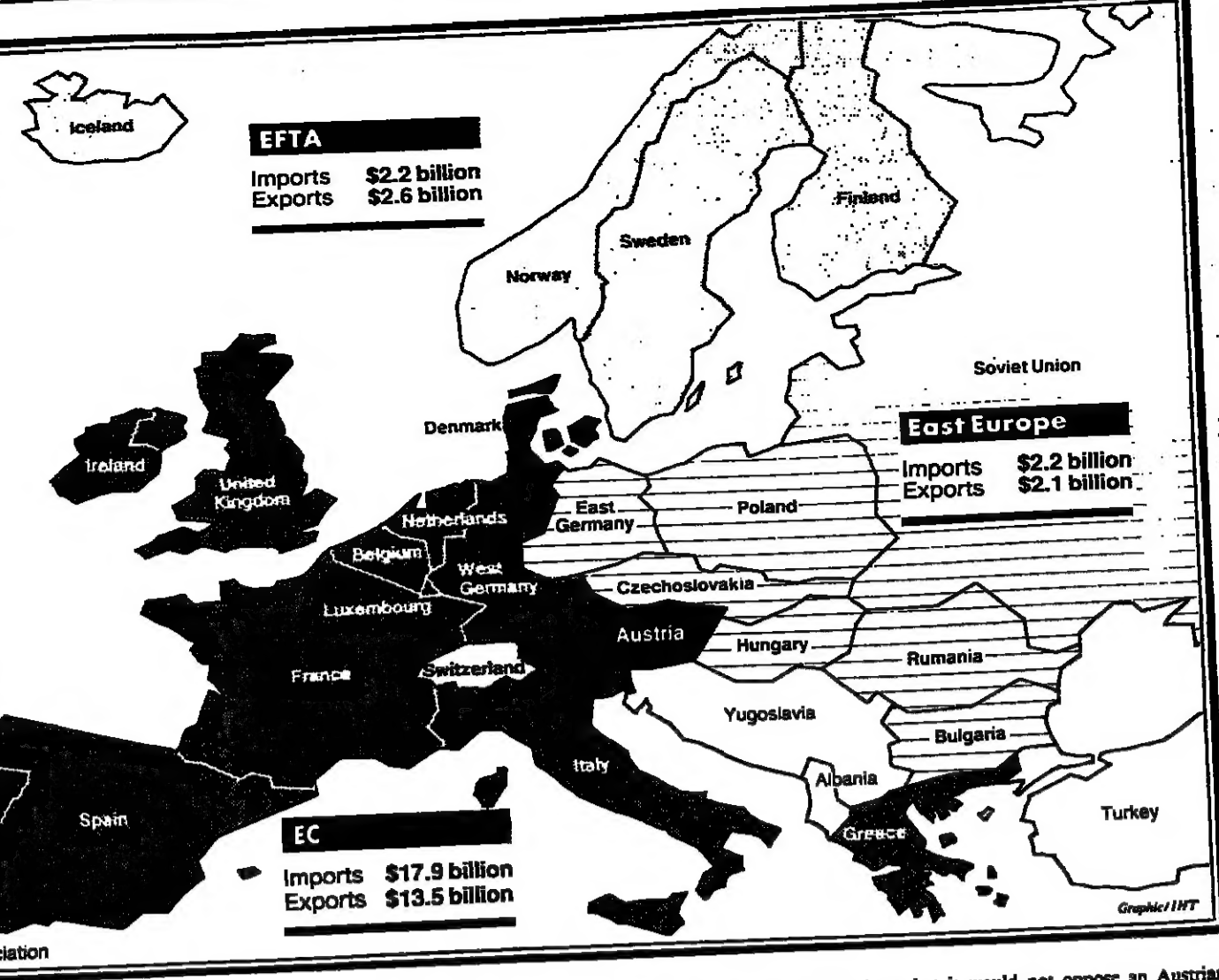
Trade: On the Edge of the EC

Austria's trade with the European Community heavily outweighs trade with all other partners. As the EC moves to achieve a barrier-free internal market in 1992, nonparticipation could put Austria, a member of the European Free Trade Association, increasingly at a disadvantage.

European Free Trade Association (EFTA)
European Community (EC)
Council for Mutual Economic Assistance (COMECON)

Imports \$2.2 billion
Exports \$2.6 billion

Source: European Free Trade Association



The costs of outsider status are already large. A survey of retail prices for a broad range of consumer durables by the Austrian Chamber of Labor in December 1986 found that these were on average 24.16 percent higher in Vienna than in Munich.

The EC is pledged to eliminate the remaining mountain of nontariff barriers and other obstacles to free movement for labor, capital, goods and services and to bring about a unified internal market among its 12 members by 1992. Even if this is only partly achieved, as most are predicting, movement in this direction will certainly multiply the penalties of nonparticipation for Austria's small economy and small population of 7.5 million, which is heavily dependent for its livelihood on trade with the EC.

Thomas Oliva, an expert on Austrian consumer industries, summarized the consequences: "The price for being different is getting too high, and people are voting with their feet." They are doing so by buying and investing beyond Austria's borders, which are only a short drive from almost anywhere in the country.

Eastern Austrians shop in Hungary, contributing to the special relationship that has been developing between Vienna and Budapest.

Western Austrians head for West Germany or Italy, which explains why western Austrian business and political leaders tend to be leading advocates of EC membership.

Key groups like the Socialist Party and the Federal Economic Chamber, formerly reluctant to consider closer EC links or membership, have apparently been coming to the same conclusion. On Dec. 9, the economic chamber, a powerful "social partner" in the Austrian system and traditional defender of small businesses fearful of bigger markets and competition, was asked to approve a "position on European integration," which bluntly states that "membership is... the goal for Austria."

Pro-EC Austrians also note that other members of the EFTA are considering Common Market membership, or have less compelling reasons than Austria to do so, such as Switzerland, Sweden and Finland, because companies domiciled in the EC but owned by their nationals already give them insider access to the internal market where it is needed.

In the context of Moscow's new look in economic and foreign policy and the Soviet bloc's own overtures to the EC to establish links with COCOM, Moscow's failure to disprove the idea — as yet — encourages suspi-

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Two major impediments remain. The EC has displayed a clear preference for a global approach with all EFTA countries, but these are pursuing widely divergent strategies and aims. Although unwilling to take a clear position until Austria has made a formal approach, EC officials are signaling that integration in the internal market without membership is probably unacceptable.

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○ Disneyland?
○ Marineworld?
○ Japan?
○ Austria?

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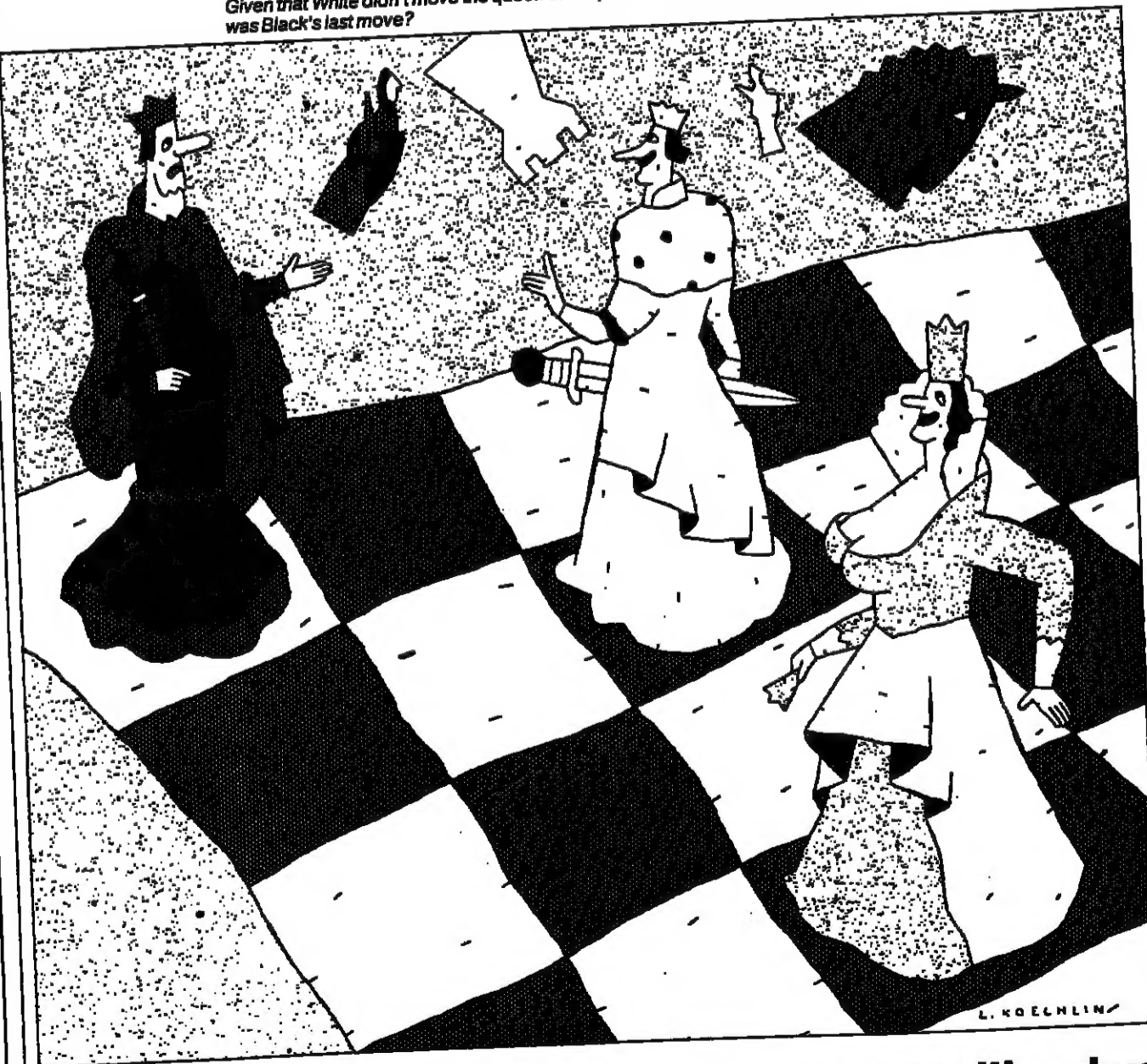
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Industry Takes the Painful Pill of Privatization and Restructuring

By Ferdinand Protzman

VIENNA — Over the years, resisting change has become something of an Austrian hallmark, one raised nearly to an art form by practitioners such as Metetrach and Kaiser Franz Josef. Franz Josef earned special distinction in foot-dragging by refusing for years to allow installation of electricity or telephones in his Hofburg Palace in Vienna. For Metetrach, change was just intrinsically bad, the sort of thing promoted by upstarts like Napoleon. Those stalwarts of the status quo would undoubtedly frown on the transformation of

Austria's economy currently under way. Chancellor Franz Vranitzky's coalition government is privatizing large chunks of the sprawling and often unprofitable state-owned heavy industry, restructuring much of what remains and cautiously pruning the nation's comprehensive social net.

Unlike the Austrian historical figures mentioned above, Mr. Vranitzky, a member of the Socialist Party, is not a stonewaller. The government unveiled a package of budget-reduction measures in September that drew heavy criticism from many rank-and-file Socialists, as well as from former Chancellor Bruno Kreisky, the party's senior figure. Despite the clamor, Mr. Vranitzky did not flinch.

"We are not going to jump back from this," he said. "Rather, we are going to push ahead with what has been announced."

He has lived up to his words. Despite the current turmoil in the global financial markets, the government has not changed its timetable for privatization. It has already successfully kicked off the campaign with the sale of shares in its profitable oil company.

A capital increase at Oesterreichische Länderbank AG, the nation's second largest bank, is under way. The government, which holds 60 percent of the bank's equity, will not participate, in effect allowing its stake to drop to the legal maximum, 51 percent, by letting the public buy the new shares.

In 1988, the government will also reduce its stake in Creditanstalt-Bankverein AG to 51 percent from 60 percent. Interests in Austrian Airlines, the national flag-carrier, and the state-owned electric utility company will be listed on the Vienna Stock Exchange. The state-owned steel company will also undergo restructuring.

The economic transition, economists and government officials said, is painful, promising and unavoidable. The bottom line, they said, is that much of Austria's state-owned industry has no viable alternative to radical surgery if it is going to survive and compete on an international scale. And without changes in the state sector, which accounts for 20 percent of the

nation's industrial production, the economy faces serious trouble.

It is already having problems. In the first six months of 1987, Austria's gross domestic product grew a scant 0.6 percent from the year earlier period. For the full year, Georg Busch, an economist with the Oesterreichische Institut für Wirtschaftsforschung (Austrian Economic Research Institute) in Vienna, projects that GDP, which measures a nation's total output of goods and services, will grow between 0.5 and 1 percent, down from 1.7 percent growth in 1986.

Because of heavy losses in the state sector, Austria's budget deficit swelled to 106.7 billion schillings (about \$9.287 billion) in 1986, and is expected to be much higher this year. While deficits were tolerated as the price of full employment, which Austria enjoyed under Mr. Kreisky's tenure in the 1970s, they began to grow out of control in the 1980s.

Now the government is counting on revenue from its privatization package to raise about 16 billion schillings, helping to push the budget deficit down to around 70 billion schillings in 1988. Spending cuts and tax reforms will provide the remainder of the savings in the 1988 budget.

The pain is felt mainly by employees in the state industrial sector. In a nation where just a few years ago unemployment was virtually nonexistent, the loss of jobs and layoffs from restructuring have hit hard, pushing the unemployment rate up to a seasonally adjusted 5.7 percent of the work force in the third quarter of this year.

Crowds of angry workers have repeatedly protested plant closings in front of the Chancellery on Vienna's Ballhausplatz. But the government has not sugar-coated the social dislocations caused by the economic restructuring.

"Nineteen-eighty-eight will be a terrible year," said Hugo Michael Sekyra, the general director of Oesterreichische Industrieverwaltung AG (OIA), the holding company for the state industries, referring to the sweeping overhaul of Voest-Alpine AG, the state-owned steel concern.

OIA controls 200 companies and about 96,000 workers. It posted a loss of 10.2 billion schillings in 1986 and expects losses of 7 billion to 8 billion this year. Since 1980, the government has pumped 31 billion schillings into the holding company.

But the changes also carry the promise of a leaner, more competitive, more market-oriented economy.

In October, the government said it would streamline Voest into separate profit centers, while at the same time slashing production and the number of workers. Voest is the nation's largest conglomerate, producing 95 percent of Austria's steel output.

In many ways, Voest is a case study of the problems in the state sector. It was formed in 1973, when the government merged the profitable Voest steel works in Linz with the Alpine works at Donawitz, which was deeply mired in losses. Rather than evolving into a profitable giant, the losses spread like a cancer.

"The fusion made no sense economically," said Wilfried Heinemann, director of the steel division at OIA. "We learned that bigger is

not necessarily better. We should have adapted to market conditions much sooner."

"The state industries got into trouble because they operate in basic goods, like steel," said Mr. Busch. "These industries have problems everywhere because of fierce competition from low labor-cost countries like Korea and Taiwan. At the same time, however, the service sector has flourished and there is considerable potential there."

Heavy losses in the state sector have swollen the budget deficit.

"The problems of the state sector are really a political issue as much as an economic one," Mr. Busch added. "Conservatives say do away with nationalization altogether. Let's go private. The state is a bad entrepreneur. The Socialists still see value in the state taking the lead in realizing macroeconomic goals."

DESPITE the debate on the merits of privatization, and the global stock market crash in late October, the government has pressed ahead. But sniping, primarily from within the Socialist ranks, has continued, even as the first company, Oesterreichische Mineralöl Verwaltungen AG, the profitable oil company that has Austria's only crude oil refinery, was brought to the bourse in mid-November.

"To be honest, I thought the government should have delayed the OMV sale because of the stock market crash," said a Viennese banker, who asked not to be identified. "Given the importance it held for the remainder of the privatization, the historical reluctance of Austrians to buy equities and the panic atmosphere in the global stock markets, the timing seemed very bad."

Boosted by an advertising campaign, a 40-percent reduction in volume and a per-share price lowered to 4,400 schillings from 5,000 schillings, the sale turned out to be a triumph for the government. It was closed after just three days, oversubscribed by 200 percent. Surprisingly, domestic investors were the primary buyers. Because of the altered conditions, however, it brought in less money than expected.

But observers said the main point was that the sale showed the government could react quickly and decisively to sudden changes in market conditions, which is dominated these days by the same inventions, telephones and electricity, that Kaiser Franz Josef resisted.

FERDINAND PROTZMAN, a staff correspondent of the International Herald Tribune, is based in Frankfurt.

Researchers Stake Out Claim in World Technology

By David Hermges

VIENNA — Almost without knowing how it happened, Austria has found itself thrust into the forefront of a technological advance that will probably transform much of the country's traditional industrial structure.

Many years, in some cases several decades, of basic research and development are now coming to fruition. A picture is emerging of a small European country that can stand tall in world technology, whether in space exploration or AIDS research. But just when this will happen depends a lot on funding.

A report by the Organization for Economic Cooperation and Development on Austrian research and technology criticizes the low level of endowment. In the current year, a mere 1.31 percent of gross domestic product has been spent on research and development, a much lower figure than in the United States or West Germany. The estimate for 1990 is still only 1.5 percent of GDP, coming in roughly equal parts from the state and private industry.

The urgency for adopting a more generous approach was underlined by two events this year: Austria's decision to go ahead with full membership in the European Space Agency (ESA), and the country's agreement to participate in 16 (out of 165) projects launched by EUREKA, the European research initiative. In each case, there is a guaranteed flowback of funds into Austrian industry.

Heading the list of enterprises standing to benefit from these developments is ORS, the Austrian aerospace company, successor to the consortium that built the viewport (window) for Spacelab. With the coming of life-support systems, including those for plant growth, breath regeneration and human waste processing, "motored" by sunlight.

Space communications is another niche in which Austria has found a firm foothold, including the Eurotelsat project within EUREKA. As far as earth-based communications are concerned, Austria already has one of the most advanced data-transmission networks anywhere in Europe, and a pilot test for the introduction of ISDN (the Integrated Services Digital Network) is to be started in 1988. For this, four firms that otherwise compete on the market — Alcatel, Kapsch, Schrack and Siemens — have formed a joint development company, OFEG, with the Austrian PTT.

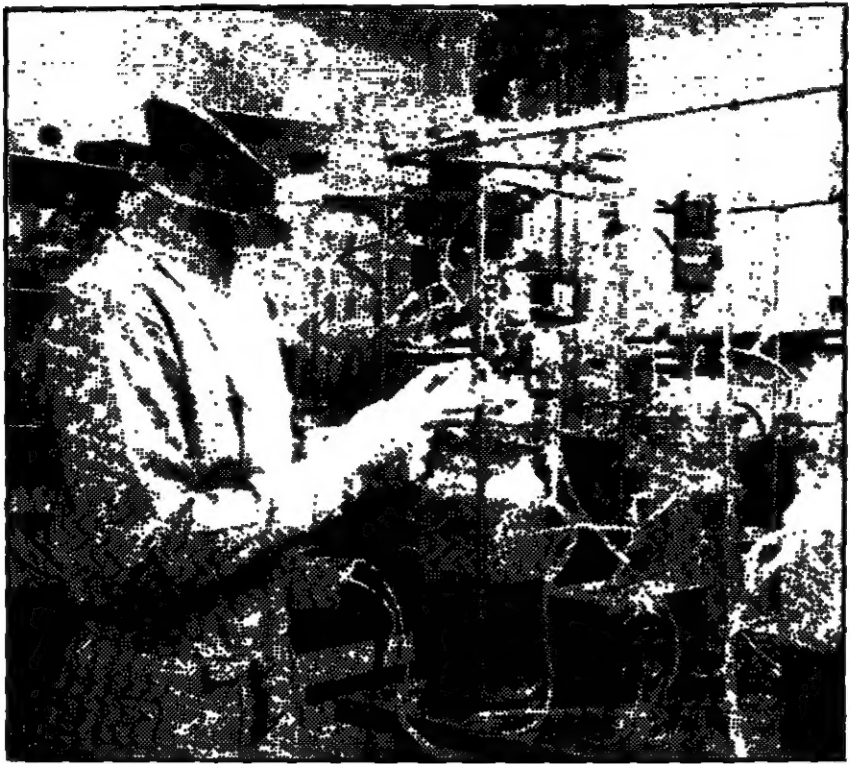
None of these achievements would be possible without broad-based support from the country's technical universities, particularly those in Vienna and Graz.

A cluster of firms in and around Graz all concentrating on telecommunications and micro-electronics, including the production by AMS of customized chips, provide chances for turning the south of the province of Styria into a sort of miniature Silicon Valley.

The giant Austrian steel and engineering conglomerate Voest-Alpine has responded by changing its product line accordingly. One of its biggest recent successes has been the development (together with Honeywell Bull) of a computer software protection method known as SOFT SEAL, which eliminates the possibility of producing pirated copies of expensive produced programs.

The western province of Tirol, better known for its mountain resorts, also has a striking high technology reputation. Metallwerk Plansee, which has been a world leader in powder-metallurgy since the 1960s, has now started introducing advanced technologies into its production line. Plansee is switching its long-standing reliance on semi-finished products in cemented carbides ("hard metals") to fully fabricated parts, such as X-ray tubes.

Also operating in Tirol is Biochemie, whose researchers developed the first oral penicillin, marketed under the name



A lab at Immuno's Biomedical Research Center east of Vienna.

Ospen. More recently, the company has become known for its industrial-scale production of Interferon using biotechnological processes.

Worldwide attention was attracted earlier this year by the Lower Austrian company Immuno, which announced an advance in the fight against Acquired Immune Deficiency Syndrome. Immuno, which has been producing a variety of vaccines since the 1950s, said it had now developed a prototype vaccine antigen, GP 160, which

causes the formation of antibodies resulting in neutralization of the AIDS virus in vitro.

Immuno is also among the Austrian companies engaged in the EUREKA project for research into biotechnological mass-cell cultures.

DAVID HERMGES, a Vienna-based journalist, reports for Radio Austria International.

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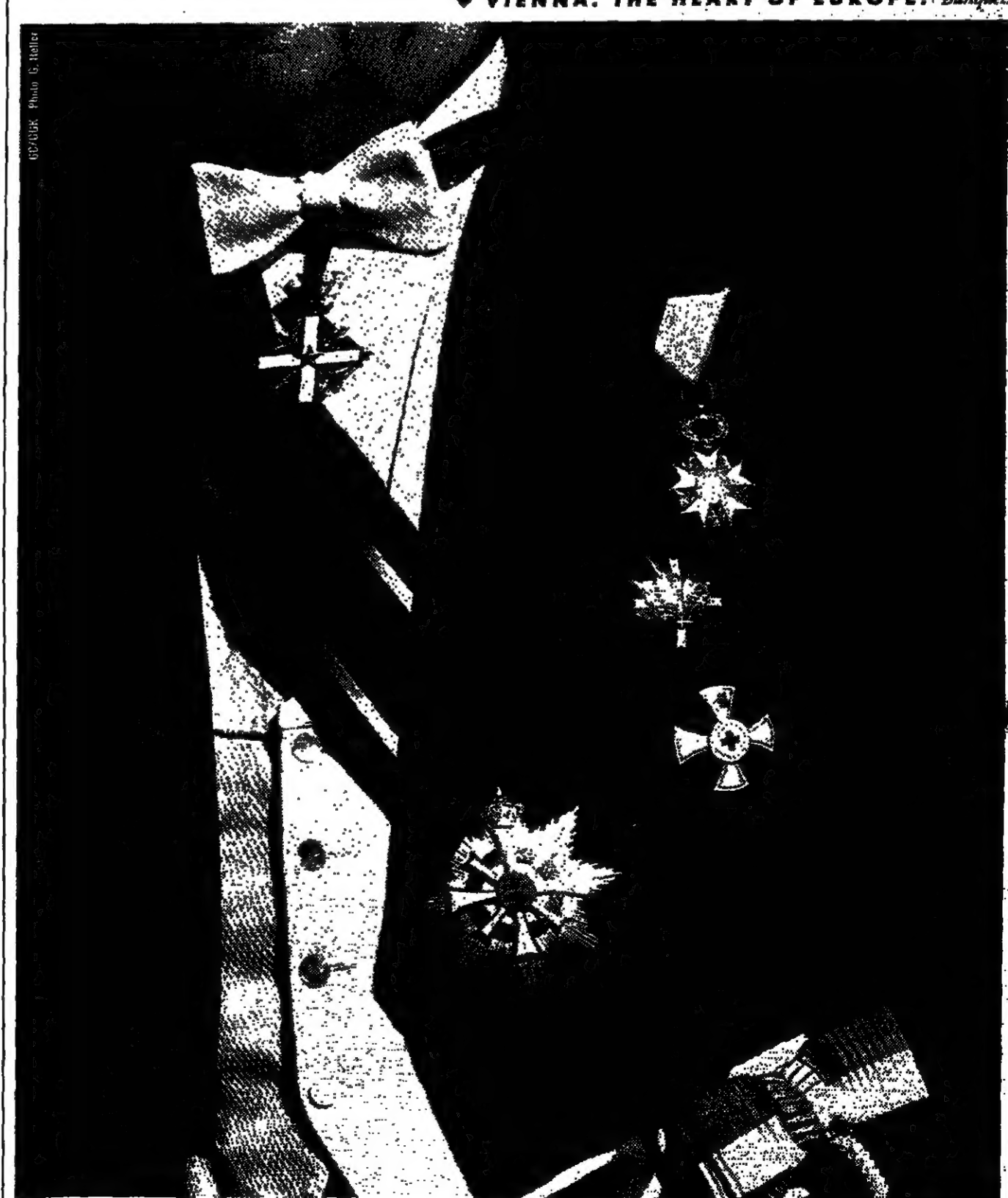
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WERNER MELLER

Le Corbusier

Le Corbusier was a Swiss architect, designer, writer, and painter. He was one of the most influential figures in the development of modern architecture. His work was characterized by a focus on geometric forms, open-plan living, and the use of concrete. He is best known for his book "Le Corbusier's Urbanism" and his work on the "Maison à Villamare" in France. He also designed the "Unité d'habitation" in Marseille, France, which is considered one of the most important examples of modern housing. His work has had a profound impact on the world of architecture and design.



ARTS/LEISURE

Fragments and Glories of the Age of Chivalry

International Herald Tribune

LONDON—The novelty of the art displayed in some exhibitions just about makes up for the abstract themes and theories that their organizers fiercely inflict on innocent visitors. Great beauty at wide intervals helps.

"The Age of Chivalry" at the Royal Academy through March 6, is one of those. The opening sentence of the introduction to the weighty 576-page catalogue says it

SOURIN MELIKIAN

all. It goes on about the difference of the Plantagenet age (1200-1400) from ours "in its social structures, its religious beliefs, its moral codes, its economic organization, and also in its art and architecture." Luckily the show escapes confusion, thanks to the superb display and to the clever balance between small and monumental.

Above all it constantly grips the viewer's curiosity. The last exhibition of English Gothic art was, after all, held in 1930. Most of what is to be seen is scattered far and wide, and sometimes inaccessible to the public. One is suddenly made aware of the greatness of English sculpture in the 13th century. Henry VIII, in an anti-Catholic rage of destruction that makes the Chinese Cultural Revolution look sloppy, tried his best to wipe it out, but couldn't quite. Abbeys survive as ruined facades. Fragmentary sculpture and objects keep bobbing up out of burial grounds, river beds and other places.

That is the case with one of the most beautiful carvings of medieval Europe, which should be famous but stands far away from the beaten tourist trap. The headless figure of a woman in long robes was dug up in 1912 in Winchester. The swaying movement of the bust and the lightness of the slender, clinging folds irresistibly call to mind the "Winged Victory of Samothrace" in the Louvre, and other Hellenistic work. The difference lies in the elongation, typical of Gothic England, and in the immense dignity.

Another extraordinary carving is equally unfamiliar to all but specialized art historians. It once graced the wall arcading of the St. John the Baptist chapel in Westminster Abbey. Preserved in two fragments, this too tells us that the sculptor knew something about Classical art. The drapery of the man seated, knees apart, has been chiseled by a master who must have seen a Roman toga of the first century B.C. The angular handling, suggestive of metal work, is typical of English art around the second quarter of the 13th century. Perfection was reached, possibly at the hands of the same artist, with a small figure of a man, now headless, standing book in hand. The linear stylization of the parallel folds in very low relief is not unlike that of early Buddhist sculpture from sixth-century China.

Closely linked to French models, English sculpture somehow remained very different. A third fragment from the same Westminster Abbey arcading, the smiling head of a man, perhaps an angel, displays that same metallic feel. Pamela Tudor-Craig observes in the catalogue that the idea of the smiling angel was adopted by English sculptors at the request of Henry III, who was full of admiration for the art of the Ile de France. Yet, the compressed, almost fierce energy in the smiling lips is miles from the amiable expressions of angels in the Paris and Reims cathedrals.

The diversity of inspiration was remarkable in mid-13th-century England. A room at Clarendon Palace, excavated in 1935, yielded one of the most striking individual portraits from Gothic Europe. Possibly meant as an allegory of anguish, the 22-centimeter head (about 8.5 inches), with its distressed look filtering through nearly closed eyes, would be a centerpiece in any great museum. Tucked away in the Salisbury and Wiltshire Museum, it has received little more than scholarly attention.

Vandalism continued into modern times. Until 1838, two smiling angels with unforgettable expressions of illuminated understanding



Portrait of King Richard II enthroned (right) 1390-1400; knight on horseback (above), late 13th century, copper alloy. Isolated fragments are all that remain of the English metal-worker's art.



formed part of a canopied tomb in All Saints Church at Saucy, Derbyshire. Fragments of the tomb, destroyed in that year, were stored away. Some surfaced at the Victoria and Albert Museum after being discovered by the church in 1980. They have hardly made a splash in the media until now.

If the greatness of 13th-century English sculpture, scattered in fragments, is barely suspected, even less is said about objects. Credit for this deadly silence again must go to Henry VIII. The English historian Marian Campbell notes in her introduction to "Metalwork in England" that "in 1538, spoils from the shrine made up a good part of the 36 cartloads of gold and silver taken from Canterbury Cathedral.

Isolated fragments are all that remain of the magnificence of the medieval English metal worker's art. It has been calculated that the desecration of shrines and the suppression of the monasteries yielded 289,768 ounces of plate and jewels to the crown.

A few pieces escaped destruction. The warden of Saint Mary Magdalene in Bermondsey have lent a dazzling silver dish done in 1335-40. Bold swirling leaves on the wide horizontal rim run around a small roundel in the center, engraved with a figure on the head of a kneeling knight. Separating the center from the rim, a small garland of gilded foliage in low relief gives it a jeweled appearance.

A handful of objects have come out of burial sites. In 1731, the chalice and paten of Archbishop de Melton were recovered from his tomb. Sixty years later, the grave of Bishop Gravesend likewise yielded his chalice and paten. They can be seen at the Royal Academy.

Other works of art were recovered from riverbeds, including two of the most fascinating vessels in the exhibition. One is a copper alloy horseman in armor of the type usually described as an aquamanile. Datable to the late 13th century, it is essentially assumed to be English because of where it was found, near Hexham in the River Tyne. The horseman is a masterpiece of figurative sculpture in metal. An equally marvelous silver in-

crease boat was found with a censer—the latter ornate and ill proportioned—by two men fishing for eels in Cambridgeshire.

Discoveries have continued to this day. One of the most beautiful shapes in European metalwork is that of a pewter flagon, or covered jug, found in Medway basin near Tonbridge Castle. Anthony North, a researcher in the metalwork department in the V&A, notes that pieces of the form, considered to date from the first half of the 14th century, could have been made either in the Low Countries or in England. A delightful little spice plate was recovered from a well at Tong Castle in Shropshire as recently as 1978.

With so few pieces in hand, no clear cut picture of English metalworking art emerges. Each one often is a riddle in itself, like the wonderful copper alloy holy water stoup. Were it not for an invocation cast in low relief naming a member of the old Glanville family in East Anglia, its very English identity might be in doubt. The flaring shape, widening abruptly near the top and with a vertical rim, like certain mortars throughout Europe, rests on three short legs of very Germanic appearance. Three figural panels deepen the mystery of the piece.

Two of the themes taken together form an Annunciation. The third panel shows an enthroned man described by the great English medievalist Claude Blair as holding a hunting horn to his lips in one hand and "a small bell raised aloft in the other." No obvious interpretation is offered for the man, nor for the fact that the style of these panels is datable to circa 1200 while the lettering, according to Blair "suggests a mid-14th-century date for the stoup." No reason is submitted for the use of dies separated by at least two centuries. Yet, there is no question about the authenticity of the vessel, which one would question if one saw it at auction. It was recorded as early as 1790 when in the possession of a Mrs. Motte in Suffolk. Later, it was presented to the



From the Oscott Psalter c. 1265-70.

church at Wreay, in Cumbria. The church now has it on permanent loan to the Carlisle Museum. Few non-specialists stray that far away upon the unsolved riddle or gaze at the beauty that goes with it.

This sense of mystery and discovery is maintained throughout much of the exhibition. The marvelous wood sculpture, almost abstract in its stylization of entwined dragons interlinked with formalized foliage, that belongs to the

wardens of Christchurch Priory Church in Dorset will come as a revelation to all but a handful of medieval scholars. So will the doors with wrought iron scrollwork from the St. Peter Hungate Museum in Norwich. They come from the Norwich Cathedral infirmary, where they are believed to have replaced earlier doors of circa 1180, after the fire of 1272. Two stylized, barely identifiable dragons looking like some Celtic motif can be seen on bronze shields recovered from the Thames in the last century. Was there, perhaps, some hitherto unsuspected continuity in the intervening 1,000 years or so?

It is all too easy to allow one's imagination to run away in a field where so much of the territory is uncharted. But that is not the least attraction of the season's most challenging art exhibition.

Le Corbusier: The Best and Worst of a Prophetic Architect

By Michael Gibson

PARIS—"I beheld, coming stiffly toward me, an extraordinary mobile object set beneath a bowler hat and wearing spectacles and a black overcoat. The object was advancing on a bicycle while scrupulously observing the laws of perspective." This describes the painter Fernand Léger describe his first encounter, in the early 1920s, with Charles-Edouard Jeanneret. The artist's cordial humor somehow does justice to the peculiarity of the man to whom it refers, his rather puritan stiffness and his occasional ingenueness.

Born 100 years ago, Jeanneret, better known as Le Corbusier, died in 1965 while taking a swim off Cap Martin in southern France at the age of 78. The centennial of his birth has been the occasion for a number of exhibitions, the latest of which is the exhaustive one currently filling the top floor of the Pompidou Center.

The show, which runs through Jan. 3, is almost overpowering and makes room for every aspect of the man's enormous activity, presenting a superabundance of plans, models, letters, books and many rather pretentiously unsatisfactory paintings and sculptures.

Born in La Chaux-de-Fonds, Switzerland, Le Corbusier worked in Paris in 1908-9 as an apprentice under Auguste Perret, who was then doing innovative work in reinforced concrete. He went to Berlin in 1910 and made friends with Ludwig Mies van der Rohe and Walter Gropius. He moved on to Hellerau near Dresden (1911-12), taking an interest in the work being done in industrial standardization by the Deutscher Werkbund. In 1917, aged 30, he settled in Paris, ultimately becoming a French citizen. On his arrival in Paris he met the painter and theorist André Ozenfant, with whom he elaborated



Pavillon de l'esprit nouveau, Paris 1925.

ed a Purist manifesto in which the machine is presented as the very ideal of purist functionalism.

Le Corbusier, more than any other architect, seems to have fleshed out in reinforced concrete both the best and the worst of the ideas of his day. In turn brilliant and excruciatingly naive, generous and inclined to intellectual bigotry, his gospel was the rational approach to architecture, his idol (at one time at least) was the automobile and his purpose, according to an oft-quoted slogan, was to improve mankind by making a house that was a "machine to live in."



Le Corbusier in the 1920s.

problems of the day. He was both an innovator and a manic propagandist of his own theories. But he also believed that these solutions would shape a new humanity—l'homme nouveau—and his faith in this had much in common with the simplistic utopias of the turn of the century, while his practical solutions, being merely practical, were all too often deficient in other respects. They lacked something the age itself lacked—an understanding of the way in which people find a confirmation of their identity in the buildings they live in and, failing to do so, attempt to destroy them. Vandalism in large housing projects, as experience has shown, is a response to the insensitive rationalism of a certain style of architecture.

Le Corbusier's concern with the rationalization of architecture and the use of industrial elements suited both the occasionally glib optimism of the age and the practical needs of a period in which cheap housing was required for a growing population. Today, of course,

many of his ideas have been carried to the limits of banality, just as he himself sometimes tended to carry them to the furthest limits of authoritarian eccentricity. Indeed, his excesses reveal the defects of his theories better than any argument could do.

One conceit that he luckily never got a chance to put into practice would have had freeways built on top of a miles-long apartment building. He sketched out the idea for a plan in Rio de Janeiro in 1930, and proposed it once more in 1931 for the city of Algiers, which fortunately did not adopt it. One can imagine the distress that would have been experienced by people living in such a structure with its monstrous and impersonal length—compounded by the presence of an overhead freeway, not to mention the added delight of an occasional automobile falling off the roof.

There are notions that sound great in theory but are just not made to be lived in. Le Corbusier's idea of creating massive skyscrapers and reserving the space around them for gardens and woods is of this kind and looking at the model of his urban development plan for Barcelona can give you the creeps.

The key principles of Le Corbusier's architecture are ostensibly rationality and order. But he could also, at times, be concerned with a quasi-mystic poetry of space—whether in the chapel of Ronchamp or in the city of Chandigarh, his single greatest venture, commissioned by the Indian government in 1950. Ronchamp, a rather lumpy building when viewed from the outside, is surprisingly graceful inside. The concrete roof, which mimics the sag of an improvised canvas shelter, is separated from the walls by a strip of glass that heightens the impression of being inside a tent.

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Dallas Museum Buys 2 Picassos

The Associated Press

DALLAS—Two paintings by Pablo Picasso, worth an estimated \$2 million to \$2.5 million, have been acquired by the Dallas Museum of Art in what the museum called one of its most important acquisitions in the last decade.

The paintings, both oils on canvas and the first Picassos in the museum's collection, are the 1907-1908 "Bust" and "The Guitarist" from 1965.

"Bust" relates stylistically to "Les Femmes d'Alger," "The Guitarist" is distinctive because of a self-portrait inserted at the lower left as a type of signature.

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NYSE Most Actives				
Vol.	High	Low	Last	Chg.
AT&T	287.75	287.00	287.00	+0.75
IBM	161.00	160.00	160.00	+1.00
GE	29.00	28.50	28.50	+0.50
Merck	45.00	44.00	44.00	+1.00
Amgen	25.00	24.00	24.00	+1.00
Amgen	25.00	24.00	24.00	+1.00
Amgen	25.00	24.00	24.00	+1.00
Amgen	25.00	24.00	24.00	+1.00
Amgen	25.00	24.00	24.00	+1.00
Amgen	25.00	24.00	24.00	+1.00

Market Sales				
NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume
NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume
NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume
NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume
NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume

NYSE Index				
High	Low	Close	Chg.	Chg.
High	Low	Close	Chg.	Chg.
High	Low	Close	Chg.	Chg.
High	Low	Close	Chg.	Chg.
High	Low	Close	Chg.	Chg.

Friday's NYSE Closing				
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.

AMEX Diary				
Adv.	Decl.	Unch.	High	Low
Adv.	Decl.	Unch.	High	Low
Adv.	Decl.	Unch.	High	Low
Adv.	Decl.	Unch.	High	Low
Adv.	Decl.	Unch.	High	Low

NASDAQ Index				
Close	Chg.	Week	Year	Chg.
Close	Chg.	Week	Year	Chg.
Close	Chg.	Week	Year	Chg.
Close	Chg.	Week	Year	Chg.
Close	Chg.	Week	Year	Chg.

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.
Vol.	High	Low	Last	Chg.

Dow Jones Bond Averages				
Bonds	High	Low	Last	Chg.
Bonds	High	Low	Last	Chg.
Bonds	High	Low	Last	Chg.
Bonds	High	Low	Last	Chg.
Bonds	High	Low	Last	Chg.

Dow Soars in Heavy Trading

United Press International

NEW YORK — Prices on the New York Stock Exchange not only survived "triple witching" Friday but also staged an impressive advance in heavy trading, reversing the previous session's sharp plunge.

The Dow Jones Industrial average, which fell 50.77 Thursday, rose 50.90 points, or 2.64 percent, to close at 1,975.30. For the week, the index gained 108.26 points, bettering last week's gain of 100.30 points.

Advances led declines by more than a 3-1 ratio. Volume was 276.22 million shares, up from the 191.78 million shares traded Thursday.

Broader market indexes also gained. The New York Stock Exchange index rose 3.12 to 139.14. Standard & Poor's 500-stock index gained 6.18 to 249.16. The price of an average share added 70 cents.

Analysts said the market appeared ready for the triple witching because some unwinding of positions already had taken place. Triple witching occurs when stock-index futures contracts are due and options on the indexes and options on the underlying stocks expire.

"Most of the excitement came in the first half hour with 82.5 million shares traded," said Trude Latimer of Josephthal & Co. "However, it has been hard to separate the legitimate volume from the program-related volume."

Because of the triple witching, she said, most portfolio managers not involved in the unwinding probably would wait until Monday to get back into the market in any significant way.

Don R. Hays, director of investment strategy at Wheat, First Securities in Richmond, Virginia, said the unwinding had "been occurring over the past four or five weeks" and the market's

early strength was tied in part to a rebound in the dollar on Friday.

There were reports in the bond and currency markets that the Louvre accord on currency stabilization could be affirmed as early as this weekend.

"I expect the market to make a move upward," Mr. Hays said. "But it will be based on long-term factors rather than short-term considerations."

Portland General was the most active NYSE-listed issue, down 1/4 to 21 1/4.

Pennam Master Income followed, unchanged at 10. AT&T was third, up 1/4 to 29 1/4. IBM gained 1 1/4 to 117.

Among other blue chips, General Electric was up 1/4 to 45 1/4. Merck was up 1/4 to 161 1/4. Kodak was up 1/4 to 50 1/4. USX was up 1/4 to 30 1/4. American Express was up 1/4 to 23 1/4.

In the oil sector, Exxon was up 1/4 to 40 1/4. Mobil was up 1/4 to 37 1/4 and Chevron was up 1/4 to 38 1/4.

Texasco gained 1/4 to 38 1/4. Pennzoil jumped 1/4 to 79 1/4. Attorneys for Texasco creditors said they were optimistic that a settlement was near in the \$10.3 billion legal battle between Texasco and Pennzoil over Getty Oil Co.

Prices were higher in heavy trading on the American Stock Exchange.

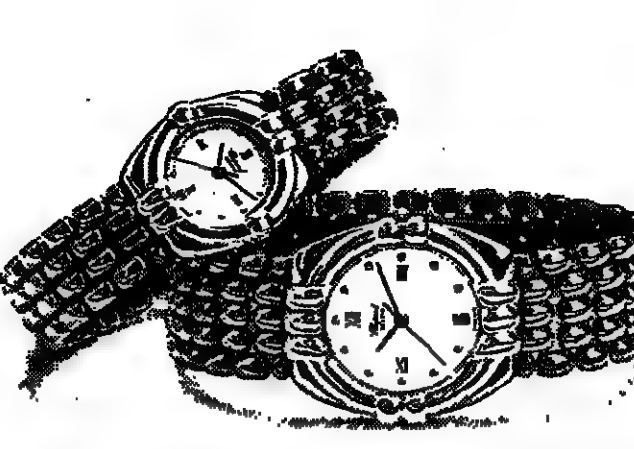
The American Stock Exchange market value index rose 4.92 to 256.10. The price of an average Amex share gained 21 cents. Advances led declines by a ratio of almost 2-1 among the 900 issues traded. Volume totaled 16.2 million shares, compared with 14.66 traded Thursday.

Wang Labs class B led the Amex actives, up 1/4 to 11 1/4.

The National Association of Stock Dealers composite index rose 7.40 to close at 326.91.

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Bonds	High	Low	Last	Chg.
Bonds	High	Low	Last	Chg.
Bonds	High	Low	Last	Chg.
Bonds	High	Low	Last	Chg.

NASDAQ Diary				
Adv.	Decl.	Unch.	High	Low
Adv.	Decl.	Unch.	High	Low
Adv.	Decl.	Unch.	High	Low
Adv.	Decl.	Unch.	High	Low
Adv.	Decl.	Unch.	High	Low

ECONOMY

Measuring Market World Circulation

CURRENCY

Currency	Rate
US Dollar	1.00
British Pound	1.60
Japanese Yen	160.00
Swiss Franc	1.50
West German Mark	1.45
French Franc	6.55
Italian Lira	200.00
Spanish Peseta	166.64
Portuguese Escudo	200.48
Belgian Franc	36.36
Dutch Guilder	3.76
Austrian Schilling	13.76
Swedish Krona	4.66
Norwegian Krone	4.76
Denmark Krone	4.66
Finland Markka	5.94
Yugoslav Dinar	23.64
Czech Koruna	166.64
Slovak Koruna	166.64
Hungarian Forint	200.00
Polish Zloty	200.00
Czechoslovak Koruna	166.64
Soviet Ruble	166.64
East German Mark	166.64
West German Mark	1.45
French Franc	6.55
Italian Lira	200.00
Spanish Peseta	166.64
Portuguese Escudo	200.48
Belgian Franc	36.36
Dutch Guilder	3.76
Austrian Schilling	13.76
Swedish Krona	4.66
Norwegian Krone	4.76
Denmark Krone	4.66
Finland Markka	5.94
Yugoslav Dinar	23.64
Czech Koruna	166.64
Slovak Koruna	166.64
Hungarian Forint	200.00
Polish Zloty	200.00
Czechoslovak Koruna	166.64
Soviet Ruble	166.64
East German Mark	166.64

INTEREST

Instrument	Rate
US Treasury Note	7.00%
US Treasury Bond	8.00%
US Treasury Bill	6.00%
US Treasury Inflation Protected Security	7.00%
US Treasury Floating Rate Note	6.00%
US Treasury Variable Rate Note	6.00%
US Treasury Inflation Protected Security	7.00%
US Treasury Floating Rate Note	6.00%
US Treasury Variable Rate Note	6.00%
US Treasury Inflation Protected Security	7.00%
US Treasury Floating Rate Note	6.00%
US Treasury Variable Rate Note	6.00%

BUSINESS ROUNDUP

Sanofi Seeks Majority in Robins

Compiled by Our Staff From Dispatches
NEW YORK — A.H. Robins Co., burdened by legal claims over the Dalkon Shield contraceptive device, has received an offer from Sanofi of France to buy more than half the pharmaceutical concern.

BHP's Profit Jumps 21%

MELBOURNE — Broken Hill Pty. said Friday that higher oil output and prices pushed its net profit up nearly 21 percent in the first half of the current fiscal year, to 429.1 million Australian dollars (\$344.7 million) from 397.0 million a year earlier.

Texaco, Pennzoil Said to Be Close to \$3 Billion Settlement

NEW YORK — An end to the four-year battle between Texaco Inc. and Pennzoil Co. appeared close on Friday, the only remaining issue being whether interest should be paid on the \$3 billion settlement figure, the counsel for the committee of Texaco's creditors said.

from April 12, the date of its bankruptcy filing, until a reorganization plan was confirmed. Pennzoil is now seeking interest from the date of the filing until confirmation, a period of about three months. "But it's still an \$80 million item," Mr. Zweibel said.

Cadbury Agrees To Buy Poulain From Midial

PARIS — Cadbury-Schweppes PLC said Friday it had agreed to buy Chocolat Poulain, the French chocolate group, for 950 million French francs (\$172 million).

Philippe Midy, head of the French group Midial SA, which owns Poulain, said the agreement would provide Cadbury, a British confectionery and soft drinks group, with a foothold in Continental Europe.

Poulain, founded in 1848, was bought by Midial only last year. Midial also recently sold its breakfast cereal subsidiary Nutriol Compagnie to the French subsidiary of the U.S. group Corn Products Corp. for 650 million francs.

FREE INFORMATION

FROM INTERNATIONAL INVESTOR VII

Herald Tribune

The latest information from the distinguished companies listed in this section are available to you at no charge. Simply circle the appropriate number on the coupon at the bottom of the page before January 28th, or telex the numbers with your return address, and the report(s) will be mailed to you by the companies involved.

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Debt Write-Off For Renault Said To Be Reduced

PARIS — France has scaled back its plan to write off 12 billion francs (\$2.2 billion) of debt of the automaker Renault, a move that may hurt plans to alter the company's special legal status, sources close to Finance Minister Edouard Balladur say.

GM, Its Sales Weak, Lays Off Another 2,275

DETROIT — General Motors Corp. confirmed Friday that it would place another 2,275 workers on indefinite layoff next month to reduce bloated inventories of unsold cars.

New Jersey, plant for two weeks until Jan. 18, affecting 4,000 workers. The latest cuts mean that GM will have about 29,000 workers on temporary and indefinite layoffs during December and January.

plants in Detroit, permanently laying off about 3,300 workers. Last week GM closed two other Michigan assembly plants, in Flint and Pontiac, eliminating 5,000 jobs.

Fokker Expects Operating Loss

AMSTERDAM — Fokker NV, the Dutch aircraft manufacturer, said Friday that it expected a 1987 net operating loss of 14 million guilders (\$7.6 million).

evening daily NRC Handelsblad on Thursday, in which unnamed trade union sources put the loss at 80 million to 100 million guilders.

BP: Veto Declared on Britoil Offer

(Continued from first finance page)
Britoil through market purchases of shares.

BOESKY: Gets 3-Year Term

(Continued from Page 1)
fense lawyers to be a lenient sentence.

Arco had said earlier this week that it might bid for all of Britoil if BP made a similar approach.

World Cocoa Surplus Keeps Chocolate Makers Sweet

LONDON — Chocolate makers are enjoying a bumper year as low cocoa prices bring higher profits and sales.

SMOKE: A Pravda-cative Point

(Continued from first finance page)
the other tobacco companies, which have generally worked against a ban through the Tobacco Institute, the industry's main lobbying organization in Washington, and other groups.

Anti-smoking forces fought back with an essay contest of their own. A group called Doctors Ought to Care, or DOC, said it would award a \$1,000 first prize to the law student who could come up with the best essay on the question of whether tobacco company executives should be criminally liable for deaths and injuries caused by smoking.

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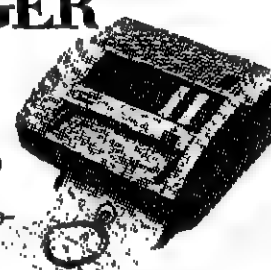


Verdict On Washington

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IHT77

Friday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

12 Month High Low Stock Div. Yld. PE

12 Month High	12 Month Low	Stock	Div.	Yld.	PE
132 1/2	128 1/2	IBM	3.10	2.3%	12.5
128 1/2	124 1/2	AT&T	2.00	2.0%	15.0
124 1/2	120 1/2	GE	1.50	2.5%	10.0
120 1/2	116 1/2	Microsoft	0.00	0.0%	18.0
116 1/2	112 1/2	Apple	0.00	0.0%	20.0
112 1/2	108 1/2	Oracle	0.00	0.0%	22.0
108 1/2	104 1/2	Novell	0.00	0.0%	24.0
104 1/2	100 1/2	Lotus	0.00	0.0%	26.0
100 1/2	96 1/2	Intuit	0.00	0.0%	28.0
96 1/2	92 1/2	Visa	0.00	0.0%	30.0
92 1/2	88 1/2	MasterCard	0.00	0.0%	32.0
88 1/2	84 1/2	Discover	0.00	0.0%	34.0
84 1/2	80 1/2	Amex	0.00	0.0%	36.0
80 1/2	76 1/2	Bank of America	0.00	0.0%	38.0
76 1/2	72 1/2	Wells Fargo	0.00	0.0%	40.0
72 1/2	68 1/2	Citigroup	0.00	0.0%	42.0
68 1/2	64 1/2	JP Morgan Chase	0.00	0.0%	44.0
64 1/2	60 1/2	Goldman Sachs	0.00	0.0%	46.0
60 1/2	56 1/2	Morgan Stanley	0.00	0.0%	48.0
56 1/2	52 1/2	Prudential	0.00	0.0%	50.0
52 1/2	48 1/2	MetLife	0.00	0.0%	52.0
48 1/2	44 1/2	AIG	0.00	0.0%	54.0
44 1/2	40 1/2	Travelers	0.00	0.0%	56.0
40 1/2	36 1/2	Equity Life	0.00	0.0%	58.0
36 1/2	32 1/2	Lincoln Financial	0.00	0.0%	60.0
32 1/2	28 1/2	Metropolitan	0.00	0.0%	62.0
28 1/2	24 1/2	Bankers Life	0.00	0.0%	64.0
24 1/2	20 1/2	First American	0.00	0.0%	66.0
20 1/2	16 1/2	Capital Life	0.00	0.0%	68.0
16 1/2	12 1/2	Continental	0.00	0.0%	70.0
12 1/2	8 1/2	Prudential	0.00	0.0%	72.0
8 1/2	4 1/2	MetLife	0.00	0.0%	74.0
4 1/2	0 1/2	AIG	0.00	0.0%	76.0
0 1/2	0 1/2	Travelers	0.00	0.0%	78.0
0 1/2	0 1/2	Equity Life	0.00	0.0%	80.0
0 1/2	0 1/2	Lincoln Financial	0.00	0.0%	82.0
0 1/2	0 1/2	Metropolitan	0.00	0.0%	84.0
0 1/2	0 1/2	Bankers Life	0.00	0.0%	86.0
0 1/2	0 1/2	First American	0.00	0.0%	88.0
0 1/2	0 1/2	Capital Life	0.00	0.0%	90.0
0 1/2	0 1/2	Continental	0.00	0.0%	92.0
0 1/2	0 1/2	Prudential	0.00	0.0%	94.0
0 1/2	0 1/2	MetLife	0.00	0.0%	96.0
0 1/2	0 1/2	AIG	0.00	0.0%	98.0
0 1/2	0 1/2	Travelers	0.00	0.0%	100.0

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120 1/2	116 1/2	Microsoft	0.00	0.0%	18.0
116 1/2	112 1/2	Apple	0.00	0.0%	20.0
112 1/2	108 1/2	Oracle	0.00	0.0%	22.0
108 1/2	104 1/2	Novell	0.00	0.0%	24.0
104 1/2	100 1/2	Lotus	0.00	0.0%	26.0
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96 1/2	92 1/2	Visa	0.00	0.0%	30.0
92 1/2	88 1/2	MasterCard	0.00	0.0%	32.0
88 1/2	84 1/2	Discover	0.00	0.0%	34.0
84 1/2	80 1/2	Amex	0.00	0.0%	36.0
80 1/2	76 1/2	Bank of America	0.00	0.0%	38.0
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120 1/2	116 1/2	Microsoft	0.00	0.0%	18.0
116 1/2	112 1/2	Apple	0.00	0.0%	20.0
112 1/2	108 1/2	Oracle	0.00	0.0%	22.0
108 1/2	104 1/2	Novell	0.00	0.0%	24.0
104 1/2	100 1/2	Lotus	0.00	0.0%	26.0
100 1/2	96 1/2	Intuit	0.00	0.0%	28.0
96 1/2	92 1/2	Visa	0.00	0.0%	30.0
92 1/2	88 1/2	MasterCard	0.00	0.0%	32.0
88 1/2	84 1/2	Discover	0.00	0.0%	34.0
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0 1/2	0 1/2	AIG	0.00	0.0%	98.0
0 1/2	0 1/2	Travelers	0.00	0.0%	100.0

12 Month High Low Stock Div. Yld. PE

Fridays
OTC
Prices

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(Continued on next page)

CURRENCY MARKETS

G-7 Speculation Gives a Lift to Dollar

NEW YORK — The dollar closed firmer on Friday, lifted by speculation that the Group of Seven industrial nations may soon meet and possibly renew the Louvre accord on currency stability, dealers said.

The dollar, which had touched postwar lows on Thursday, was also boosted by a statement by the chairman of the Federal Reserve Board, Alan Greenspan, that October's record U.S. trade deficit was an "aberration," dealers added.

Mr. Greenspan said the \$17.63 billion was "inconsistent with anecdotal evidence such as rising industrial production and manufacturing employment."

The comment helped drive the currency to its session highs in New York of 1.6390 Deutsche marks and 127.55 yen.

In New York, the dollar rose to 1.6335 DM at the close, from 1.6175 DM at Thursday's close, to 1.6270 DM, from 1.6285, to 1.6255 French francs from 1.6245, and to 1.3255 Swiss francs from 1.3115.

It also rose against the British pound, which closed at \$1.8235, compared with \$1.8400.

Government sources in Bonn said the leaders of the seven leading industrialized democracies — the United States, West Germany, Japan, Britain, France, Italy and Canada — had held intense talks in recent days about the possibility of renewing their currency and economic accords.

London Dollar Rates

Currency	Rate
Deutsche mark	1.6335
French franc	1.6255
Swiss franc	1.3255
British pound	1.8235

Source: Reuters

The sources said the discussions were conducted by telephone with no personal meetings.

Earlier, government sources in Tokyo had said the G-7 might issue a statement this weekend reaffirming the need for currency stability.

Speculation about a possible G-7 meeting also lifted the dollar in this preholiday trading in Europe.

In London, the dollar rose to 1.6330 DM, against 1.6235 at the opening and 1.6235 at Thursday's close. It finished at 127.13 yen, compared with 126.50 yen at the start of trading and 126.13 on Thursday.

The British pound fell to \$1.8260, from \$1.8360 on Thursday.

Although skeptical about a G-7 meeting, traders in London said they were covering their short positions just to be on the safe side.

"I doubt it will happen, and if it does, I doubt it will change anything," said a dealer at a British bank. He and other dealers questioned the G-7's ability to stabilize currencies after the apparent failure of the so-called Louvre accord reached in February.

Some dealers attributed the strengthening of the yen to the buoyant Japanese economy, which means that Tokyo is less likely than ever to cut interest rates.

Others cited the relative resilience of the Japanese stock market in the aftermath of the October collapse. This strength has given investors another incentive to buy yen.

Dealers also took note of Tokyo's forecast that Japan's trade surplus would shrink to \$81 billion in the year beginning next April, from an expected \$92 billion in the current fiscal year.

In other European trading, the dollar was fixed in Frankfurt at 1.6218 DM, down slightly from 1.6237 on Thursday, and at 5.015 French francs in Paris, up from 5.4990.

It closed in Zurich at 1.3177 Swiss francs, up from 1.3225.

"They are just trying to keep the market stable ahead of Christmas," said a trader at a U.S. bank.

Several dealers said the only way for the United States to restore confidence in the dollar would be to issue bonds denominated in foreign currencies, as former President Jimmy Carter did in the late 1970s.

Dealers noted that the dollar ended the week in Europe virtually unchanged against the mark, but substantially lower against the yen.

The U.S. currency closed last Friday in London at 1.6315 DM and at 128.40 yen.

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It closed in Zurich at 1.3177 Swiss francs, up from 1.3225.

Taiwan to Resist U.S. Dollar's Fall Versus Own Unit

TAIPEI — Taiwan, despite mounting pressure from Washington for a faster appreciation of its currency, will not allow a free-fall of the U.S. dollar against the Taiwan dollar, the central bank governor, Chang Chi-cheng, said Friday.

Washington is eager to cut its trade deficit with Taiwan, but the central bank has also faced pressure from exporters to maintain the exchange rate, currently at 28.57 to the U.S. dollar.

The bank governor defended the bank's policy of buying U.S. dollars to slow the U.S. currency's slide, saying local exporters needed "breathing space" so they can upgrade their management and productivity to compete with foreign rivals.

Local and foreign bankers in Taipei said a gradual appreciation of the Taiwan dollar had saved many of the island's small exporters from ruin.

The Taiwan dollar has surged recently in response to what many bankers believe is renewed pressure from Washington. It has risen more than 35 percent against the U.S. dollar since late 1985.

He also said that October's record \$17.63 billion U.S. trade deficit was inconsistent with such evidence as rising industrial production and manufacturing employment.

He said the growth in the deficit was likely to be reversed in November's report and said the deficit should narrow in 1988 as the impact of the declining dollar is felt.

Later, minutes from the Nov. 3 meeting of the Federal Open Market Committee showed that the Fed's policy-making body voted unanimously to maintain the existing degree of pressure on commercial bank's cash reserves, but leaned toward an easier policy, continuing the stance adopted after the October stock market collapse.

Economists had already found ample evidence of the Fed's accommodative policy in the last bank-

Greenspan Says Policy Of Fed Still Not Normal

WASHINGTON — Federal Reserve policy, which was relaxed after the Oct. 19 stock market collapse, has still not returned to normal, the Federal Reserve Board's chairman, Alan Greenspan, said Friday.

But he told a House banking subcommittee that the Fed would eventually get back onto its normal growth paths for bank reserves and monetary growth.

"I don't think we're quite back to normal," he said, "but we will be there."

He also said that October's record \$17.63 billion U.S. trade deficit was inconsistent with such evidence as rising industrial production and manufacturing employment.

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Economists had already found ample evidence of the Fed's accommodative policy in the last bank-

ing figures and said that the FOMC, at its subsequent meeting this week, probably decided to maintain its flexible policy.

"There's no evidence in these numbers to support the idea the Fed has tightened since the FOMC," said Stephen Slifer of Shearson Lehman Government Securities Inc. "But by the same token, it has not eased further either. It's steady as you go."

Borrowings at the Fed's discount window, where banks go for funds when they are short of reserves, averaged a meager \$162 million a day in the two-week statement period ended Dec. 16. That was the lowest level of borrowings since period ended Feb. 11, when they were \$159 million.

Federal funds, the reserves that banks lend each other overnight, averaged 6.58 percent in the second half of the period, against 6.84 percent in the previous one, making for a two-week average of 6.71 percent. On Dec. 16, funds traded as low as 0.5 percent before closing at 3 percent.

As suspected, the collapse in funds was related to a sharp surge in float, or uncollected balances, which produced a large miss in the Fed's projection of reserves on Wednesday.

The surge was caused by winter storms that prevented checks from reaching the Fed. Float was more than \$6 billion on Tuesday night.

Euro-Commercial Paper

15-45 days	46-75 days	76-105 days	106-135 days	136-165 days	166-183 days
...

15-45 days	46-75 days	76-105 days	106-135 days	136-165 days	166-183 days
...

15-45 days	46-75 days	76-105 days	106-135 days	136-165 days	166-183 days
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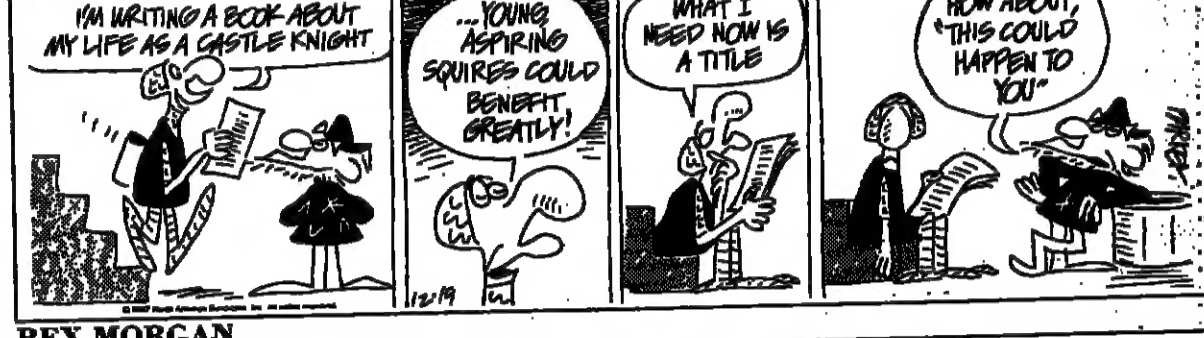
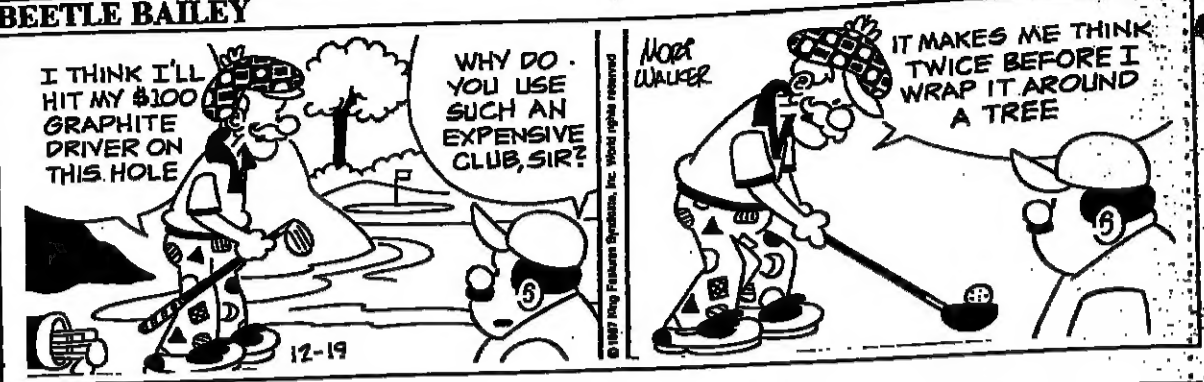
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- ACROSS**
- 1 Edible pod
 - 5 Astronomer
 - 10 Like Joe Greene
 - 14 Accumulate rapidly
 - 19 Dupa
 - 20 Kind of duck or grass
 - 22 Corkwood
 - 23 Capital of ancient Ethiopia
 - 24 Richard Roberts's father
 - 25 Keglers make them
 - 26 Throw forth
 - 27 Japanese P.M.: 1978-80
 - 28 Gallimaufries
 - 30 Monkeyshine
 - 31 Inc. relative
 - 32 Demeaned
 - 33 Watchful ones
 - 35 Hawkins and Thompson
 - 36 Closet articles
 - 39 City NW of Arnhem
 - 40 — Salaam, capital of Tanzania
 - 41 Nicolas, e.g.
 - 42 Drag
 - 44 Like the tropics
 - 45 Himalayan hulk
- DOWN**
- 1 Bird of Baffin Bay
 - 2 Inverted a stitch
 - 3 May or Malbin
 - 4 Apportion
 - 5 Recipe abbr.
 - 6 Chatterboxes
 - 7 "Strangers and Brothers" novelist
 - 8 Plague
 - 9 Foreboding
 - 10 Gibson is one
 - 11 Avoid adroitness
 - 12 Cerastes
 - 13 Actor Pendleton

Let It Snow By John M. Samson

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- DOWN**
- 14 Vehicle with runners
 - 15 "Borstal Boy" author
 - 16 Crop up
 - 17 "Two Women" star
 - 18 Shepherds
 - 21 Queries
 - 22 Rag
 - 23 Moves like a rattle
 - 24 Spurious wing
 - 25 Dumfries
 - 26 "...unto us" — given
 - 37 What Scrooge learned to do

- DOWN**
- 43 "Sesame Street" teachings
 - 44 Nonburrowing hare
 - 45 Tin Pan Alley
 - 46 Ebenezer's exclamation
 - 47 Racket
 - 48 Australian Alps range
 - 49 Sougus
 - 50 Low in "Holiday"
 - 51 Our, to Pere Noel
 - 52 Dramatist de Vega
- DOWN**
- 53 Rev.
 - 54 Lose strength
 - 56 Pol. union of 1958
 - 60 The real Lone Ranger
 - 61 — de Chine
 - 62 Kid
 - 63 Vt. ski resort
 - 65 Gawk
 - 66 Off the wall
 - 67 Pile up
 - 68 Does some wallboard work
 - 71 Gray with age
 - 72 Fragrant windflowers
 - 77 Lateran's locale
- DOWN**
- 78 Seminate anew
 - 79 Methusalem's father
 - 80 — colored (variegated)
 - 82 An Iranian language
 - 83 Cover
 - 84 Garage goings-on
 - 85 Moved on foot
 - 86 — Nacht in Venedig
 - 88 Southsayer
 - 92 Rocky pinnacle
 - 95 Nobelist chemist: 1944
- DOWN**
- 96 Raggedy Ann wears one
 - 97 M.P.G.-rating org.
 - 98 Fenced, but not for fun
 - 100 Clobs
 - 101 Melville's second book
 - 102 British statesman: 1884-1937
 - 104 Bored ones
 - 105 Despot's province
 - 106 Paltry matter
 - 108 Employ
 - 111 Effie Klinker's creator
 - 112 Author
 - 113 Author
- DOWN**
- 114 Concurrence
 - 115 Specially equipped railroad car
 - 116 English mathematician: 1815-64
 - 117 Acrylic fiber
 - 118 Toppie
 - 120 A brother of Miriam
 - 121 Suffix for peaceful
 - 123 Christened
 - 127 Child, in Cadiz
 - 130 Leo the Lion's
 - 131 "— pro nobis"
 - 133 Travi

THE GREAT TRIUMPHATE

By Merrill D. Peterson. 573 pages. \$27.95. Oxford University Press, 200 Madison Avenue, New York, N.Y. 10016.

Reviewed by Jody Powell

THEY were the United States' "second race of giants." Entering public life with the War of 1812, they departed with the Civil War already threatening.

The meeting of Henry Clay, John C. Calhoun and Daniel Webster in Congress in the year 1813 heralded a new era of American political leadership. Washington, Jefferson, and Madison — each of whom had succeeded in his turn to the presidency — had given the nation victory in its War of Independence, the Declaration that embodied its philosophy, and the supple constitutional framework that still binds it together.

Clay, Calhoun and Webster would never attain the nation's highest office, though each aspired to and repeatedly sought it. Yet they were to dominate the next 40 years almost as completely as the Founding Fathers had dominated the previous 40.

BOOKS

At the outset the task of this second generation seemed clear: the building of a nation upon the inherited legal, political, and geographic framework. Calhoun died in 1850, Clay and Webster two years later, with the certain knowledge that the great challenge to American statesmanship was to keep this new edifice from crashing in upon itself.

Calhoun went to his grave despairing of the Union, hoping that disunion and war were not synonymous. Webster and Clay who had loathed together the compromise of 1850 died with hope that the Union could be preserved, perhaps because they understood that it could only be dissolved in blood.

In "The Great Triumvirate," Merrill Peterson has given us a thorough and scholarly account of these three giants and the grand debates that consumed their lives. In his excellent work has a major fault, it is in understanding the role of their common nemesis Andrew Jackson.

If Clay, Calhoun, and Webster became the enduring symbols of congressional leadership, Jackson was assuredly the forerunner of the modern presidency. His life and legacy are almost as inextricably intertwined with theirs as theirs with each other's. If the triumvirate were, throughout the twists and turns of their careers, ever the defenders of republican government, Jackson led the triumphant vanguard of popular democracy.

For this layman, the continuing struggle in reading history is avoiding the distortion of omniscience. That difficulty is particularly acute with this period, ending as it did with the most grand and most terrible event in the United States history.

But the rewards of studying this little-understood era for its own sake are worth the effort. It was the time when the United States, as the historian Page Smith tells us, truly came of age. One finds it difficult to quarrel with Smith's assessment that it was "the most remarkable era in American history, perhaps in the history of the world."

The great debates on protectionism, the bank, internal improvements, nationalism, executive power, the annexation of Texas and California, and distribution of the budget surplus (yes, surplus) are fascinating to their merits. The increasingly desperate attempts to deal with the swelling cancer of slavery, how it came to dominate all other considerations of policy and politics, would enthrall and instruct even had the cure not cost 500,000 lives.

Which brings us back to that dreadful knowledge that in the end it did not work. Neither the peaceful co-existence of Union and slavery nor peaceful dissolution proved possible. "They had failed, and the institutions had failed," says Peterson "to persuade or reproduce that greatness of statesmanship. They were indeed the last of the giants."

Perhaps. But such a conclusion can carry with it the implication that "great men" in sufficient quantity and stature can be our salvation. That seems to have been the fatal supposition of most of their countrymen and colleagues. Probably Clay, Calhoun, and Webster believed it too.

Jody Powell, an advertising executive and former press secretary for President Jimmy Carter, wrote this review for the Los Angeles Times.



WEATHER

EUROPE	HIGH	LOW	WIND	PRECIP.
Algeria	18	14	W 10	0
Austria	14	10	W 10	0
Belgium	14	10	W 10	0
Denmark	14	10	W 10	0
France	14	10	W 10	0
Germany	14	10	W 10	0
Greece	14	10	W 10	0
Ireland	14	10	W 10	0
Italy	14	10	W 10	0
Japan	14	10	W 10	0
Netherlands	14	10	W 10	0
Norway	14	10	W 10	0
Poland	14	10	W 10	0
Portugal	14	10	W 10	0
Romania	14	10	W 10	0
Spain	14	10	W 10	0
Sweden	14	10	W 10	0
Switzerland	14	10	W 10	0
Turkey	14	10	W 10	0
U.S.S.R.	14	10	W 10	0
U.K.	14	10	W 10	0

... (rest of the table follows a similar pattern) ...

World Stock Markets

Via Agence France Presse. Closing prices in local currencies. Dec. 18

Market	Index	Change
Amsterdam	1174.20	+1.20
Brussels	1174.20	+1.20
Frankfurt	1174.20	+1.20
London	1174.20	+1.20
Madrid	1174.20	+1.20
Paris	1174.20	+1.20
Stockholm	1174.20	+1.20
Zurich	1174.20	+1.20

... (rest of the table follows) ...

Stocks

Market	Index	Change
Amsterdam	1174.20	+1.20
Brussels	1174.20	+1.20
Frankfurt	1174.20	+1.20
London	1174.20	+1.20
Madrid	1174.20	+1.20
Paris	1174.20	+1.20
Stockholm	1174.20	+1.20
Zurich	1174.20	+1.20

... (rest of the table follows) ...

Little Women

Has Had a Big C...

Like No...

... (rest of the advertisement text) ...

